The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Consequences of the Economic Blockade of Japanese Forecast . . . . . By A. A. R.

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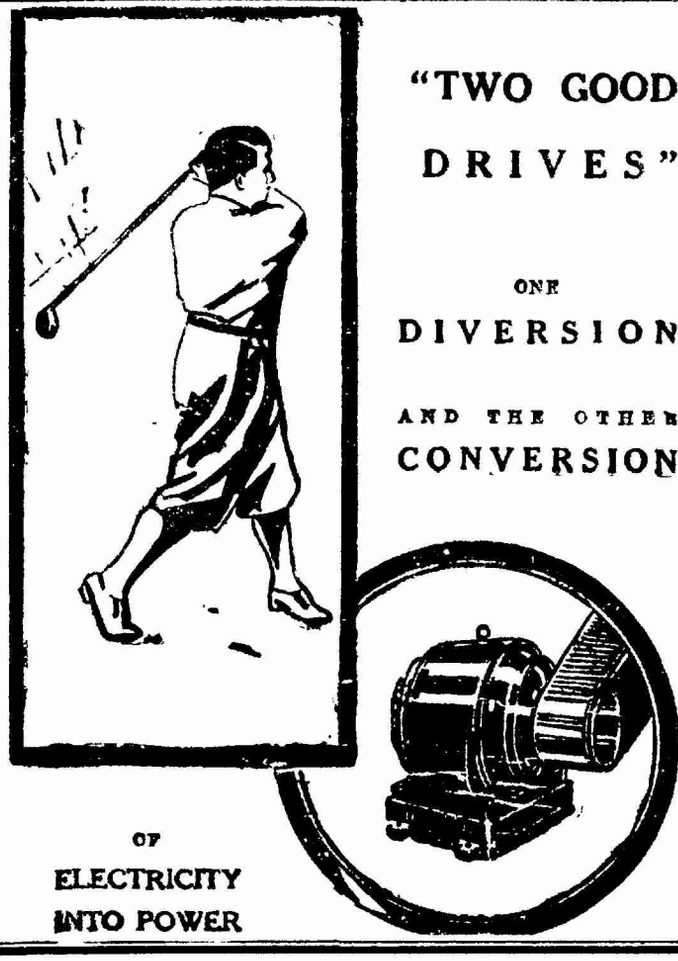

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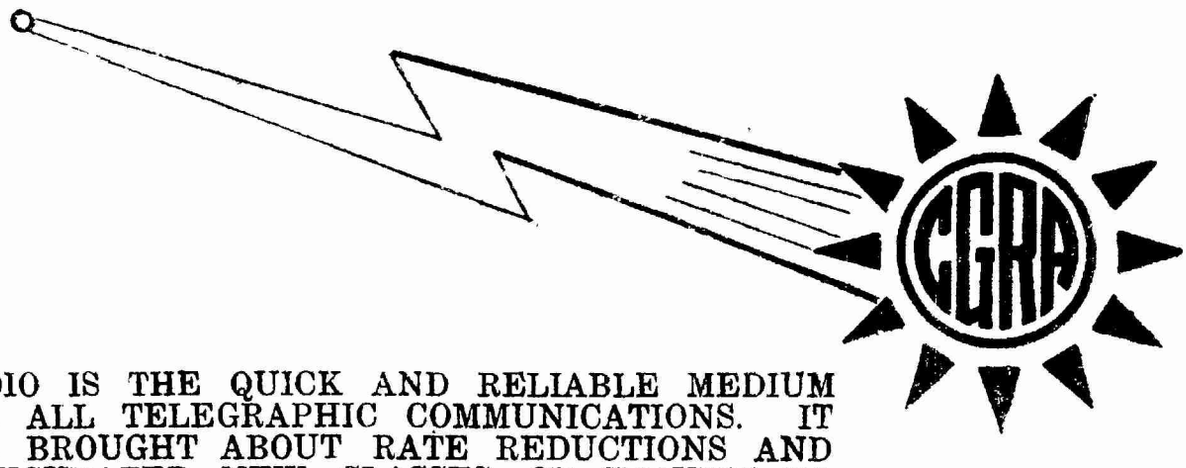

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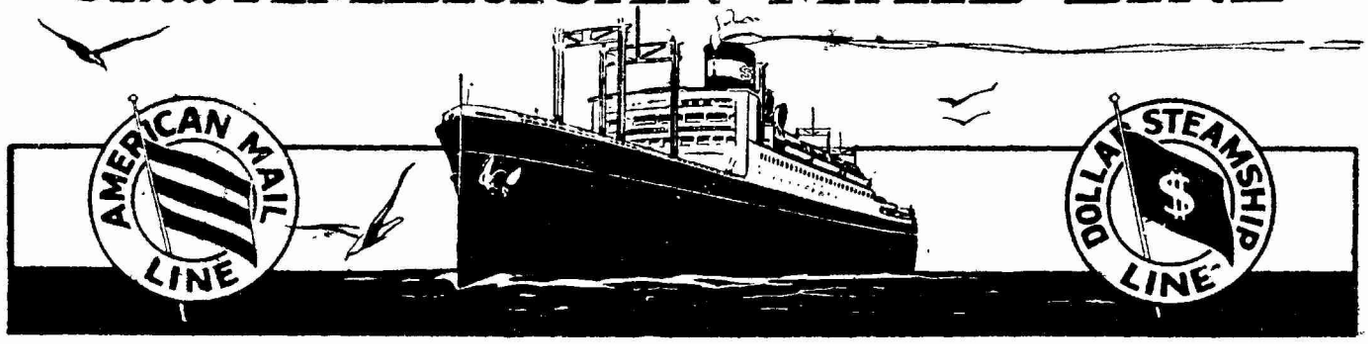

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

PEACE NEGOTIATIONS TO BE RESUMED IN SHANGHAI

THE peace negotiations between the Chinese and Japanese delegates are scheduled to be resumed the latter part of this week in Shanghai. Following the deadlock last week, the problems involved in the peace negotiations here were referred to the League of Nations. The principal point in dispute between the Chinese and Japanese as regards the situation in Shanghai is the fixing of a definite time limit for the withdrawal of the Japanese troops inside the Foreign Settlement. The Japanese have so far refused to be specific on this point, but they have at various times framed proposals of a gradually increasing conciliatory character with the hopes of securing the acquiesence of the Chinese to a plan falling somewhat short of a specific date of withdrawal, but so far without success.

The Committee of Nineteen appointed by the Assembly of the League of Nations had a private session at Geneva April 16 under the chairmanship of M. Hymans (Belgium). The crux of the discussion centered upon the question of the date of the evacuation of the Japanese troops in the Shanghai area. No decision was reached on this point. The Chinese memorandum which the committee had before it stated that the situation in Shanghai is precarious inasmuch as, while no agreement has been reached, peace is at the mercy of daily incidents. The principal obstacle to the fulfilment of the Assembly's resolution, accepted by China and Japan, the Chinese memorandum stated, is the steady insistence of the Japanese government that the withdrawal of its forces to the International Settlement and to the extra-settlement road areas must be subordinated to the Japanese view that conditions have sufficiently improved to warrant a sense of security among Japanese subjects.

Meanwhile the Japanese government pressed for the opening of the Shanghai Round Table conference before the withdrawal of the Japanese troops. The Japanese delegation also submitted its views on the failure of the Shanghai negotiations. The Japanese document stated that the only difficulty still subsisting was the question of the date of withdrawal of the Japanese troops into the Settlement and to the extra-Settlement roads. It argued that owing to the present state of affairs China is responsible; and the Japanese

authorities cannot determine in advance the definite date for withdrawal of their forces.

The League's Committee of Nineteen had been tackling the question of the differences between China and Japan for over a week but not having made much headway, it requested the Nanking government to continue to carry on the negotiations here. Mr. Quo Tai-chi, the Vice-Minister of Foreign Affairs, who had represented China at the former conferences, had in the meantime been conferring with the Government leaders at Nanking. He returned to Shanghai on the afternoon of April 19, armed with fresh instructions.

The Committee of Nineteen had been working on a plan whereby a mixed commission was to report to the League Assembly as soon as possible when a condition of "normality" was considered to be restored—after which the Assembly would recommend evacuation by the Japanese. The Japanese are reported to be in favor of such a plan, as is natural they would be, as it binds them to nothing definite, and, as regards the proposition that Japanese withdrawal should follow a recommendation by the League, the Chinese have so far not been impressed.

In the meantime the Japanese are withdrawing some of their forces here. The Seventh Battation of the Naval Landing Forces is scheduled to depart from Shanghai for Japan end of this week. Lieut. Gen. Masaki, Vice Chief of the General Staff of the Imperial Japanese Army, repaired to the Throne April 15 and obtained Imperial sanction for further recall of the Japanese troops from Shanghai. An order, consequent to the Imperial sanction, was at 3 p.m. sent from the War Office to General Shirakawa, Commander-in-Chief of Japanese Army in Shanghai, directing the latter to carry out a further consolidation of the Japanese troops and subsequent voluntary withdrawal of a part of the forces back to Japan.

LEAGUE COMMISSION DELAYED BY KOO CONTROVERSY

THE original object of the League's Commission of Enquiry, namely to make an investigation into conditions in Manchuria, had for the moment almost been lost sight of in the controversy which developed concerning Dr. Wellington Koo, the Chinese Assessor attached to the Commission. The Manchukuo government has stood by its original declaration that it will not allow Dr. Koo to enter its domain. The Japanese authorities, on the other hand, have announced that they will give Dr. Koo protection, but only inside the South Manchuria railway zone, and even this is qualified. As a result of threats on his life Dr. Koo had asked the Nanking Government for the dispatch of a military escort, but Dr. Lo Wen-kan, the Foreign Minister, replied that it was not expedient to send any troops, as to be of any real value a large force would have to be sent. Owing to the controversy that had arisen concerning Dr. Koo, and particularly the fact that threats had been made on his life and the Manchukuo government had also threatened to put him under arrest in case he insisted on entering Manchuria, the Japanese made the suggestion that the original plan of the Commission to make the trip to Manchuria by railway should be abandoned, and the trip made by steamer by way of Dairen and the South Manchuria Railway to Mukden instead.

Various routes of entering Manchuria were discussed at length between the member of the Commission and the Japanese authorities in Manchuria and the matter was even referred to Geneva. Dr. Koo at first apparently insisted that the original plan of travelling by railway should be followed, but later developments showed that he had changed his mind. At any rate, Lord Lytton, head of the Commission stood by his original declaration that the Commission would not proceed to Manchuria unless Dr. Koo was allowed to accompany it.

The eventual result of the dicussions as to the route to be taken by the Commission on its journey to Manchuria was a compromise. The entire party left in a chartered train from Peiping on the evening of April 19, but only proceeded as a body as far as Chingwantao, where it split into several sections. The five Commissioners drew lots as to the routes they would take, the result being as follows: Lord Lytton, the chairman, accompanied Dr. Wellington Koo and his staff, sailed for Dairen in the Chinese cruiser *Haichi*. General Claudel sailed with the Japanese assessor and his staff on a Japanese destroyer. Dr. Schnee sailed on still another Japanese destroyer for Dairen. General McCoy and Count Mare-Scotti continued by train on to Mukden, where the party later reuinted.

Mr. Hsieh Chien-shih, Minister for Foreign Affairs of the Manchukuo Government on April 17 wired the following message to Kenkichi Yoshizawa, Japanese Foreign Minister at Hsinking, notifying the prohibition of Dr. Wellington Koo's entry into Manchukuo. The text of the message was as follows:—

> "While the League of Nations Commission is reported to visit Manchuria shortly the Government of Manchukuo has no objection whatever to its entry in the country, but the Government cannot permit Dr. Wellington Koo to enter regardless of what route he may take. Of course, there is no reason for the Government to take any objection to the travelling of Dr. Koo and others in the railway zone, which is under your jurisdiction, unless they take no action to disturb peace and order in this country. However, in view of the present circumstances under which many plain-clothes men despatched by General Chang Hsueh-liang are planning to disturb peace in Manchuria and to threaten the safety of the League Commission with a view to entangling the relations between the League of Nations and the Japanese Government, it is quite clear that the entry of such personage as Dr. Wellington Koo into Manchuria will have a bad effect upon peace and order of this country. The Government of Manchukuo, on this occasion, hopes the Japanese Government will give due consideration so as to prevent Dr. Koo and others from travelling in the railway zone. Should they leave the railway zone and step on the soil of the Manchurian Jurisdiction the Manchuria government will arrest him by force." (The letter further requested the Japanese Government not to intefere, in such an eventuality, with the execution of Manchukuo's sovereign rights.)

The Government of Manchukuo decided to prohibit the entry of Chinese pressmen into Manchuria in company with the League Commission. The reason given out is that the entry of pressmen, just like that of Dr. Wellington Koo, is fraught with the possibility of disturbing peace and order in the new State of Manchukuo.

A *Rengo* message from Hsinking, April 18, stated that the Director-General of Police, had called a meeting of the chiefs of police bureaus of Kirin and Heilungkiang Provinces as well as the chief of police of the Special Administrative Area, at the Department of Civil Administration, and held an important conference concerning the policy of protection for the League Inquiry Commission during its stay in Manchuria.

There is increasing evidence that the Japanese would rather not have the League Commission enter Manchuria at all, although, seeing that it was originally a Japanese proposal that such a Commission of investigation should be sent, they are practically estopped from coming right out and saying so. Instead they have tried to accomplish their object of keeping the Commission away by roundabout methods. Thus we find an editorial in the *Tokyo Asahi* April 17 discussing the ban that has been laid by the Manchukuo Government upon the proposed entry of Dr. Wellington Koo saying that, as far as the League Commission is concerned, there are only three ways that may be considered by the members of the Commission, namely either to completely cancel its Manchurian journey, or to enter Manchukuo without Dr. Koo, or to follow the advice of the Japanese authorities and visit Dairen by sea and proceed to parts of Manchuria which are under the Japanese jurisdiction. The *Asahi*, somewhat hypocritically it strikes one, recommended the last named measure as the best suited under the circumstances.

EVERYBODY WELCOMED MRS. SHORT EXCEPT AMERICAN WOMEN

MRS. Elizabeth Short, American mother, whose son Bob Short was killed while flying a Chinese army plane at Soochow, arrived in Shanghai on April 20. The welcome which the Chinese people gave Mrs. Short was a memorable one. The steamship jetty was crowded with Chinese officials and members of civilian organizations, but most impressive was the large crowd of Chinese school children, boys and girls, who waved flags and shouted welcoming slogans. When Mrs. Short came down the gang-plank she was met by a group of Chinese women, wives of officials and others and to them Mrs. Short sobbed out, "I am proud of my son who gave his life for China." From the jetty Mrs. Short and her son Edmund, who accompanied her on the trip to China, were escorted to the Cathay hotel where a further reception was held. The steamship jetty was decorated with streamers inscribed with words of welcome and there was a profusion of flowers. But one couldn't help nothing the absence of American women, only two out of the entire American population at Shanghai being present. They were Mrs. L. E. Gale, wife of the head of the Gale Company which previously employed the American aviator and Mrs. Edna Bush a cousin of the bereaved monther. One wondered at the absence of the wives of American officials or representatives of the American Woman's Club or other local organizations who usually are in evidence on such occasions. It is true of course that American officialdom supposedly in order not to cause further complications with the Japanese, have not paid any official attention to the so-called Short incident involving a brave young American aviator who joined the Chinese military service and was shot down and killed in a fight with six Japanese planes, which occurred on Washingtons Birthday but one would think that some recognition might have been given to Mrs. Elizabeth Short, an American mother who made the long trip to China in order to attend her son's funeral. Perhaps the date of Mrs. Short's arrival was not known to local American women, members of the Women's Club, Daughters of the American Revolution and similar patriotic organizations. We are willing to give them the benefit of the doubt. The funeral services are scheduled to be held on Sunday, April 24 at the Hungjao airdrome, following which it is understood that a reception is to be held. There is hope that local American women, members of the commercial and missionary communities, will be present to show their respect for this American mother. Ten years from now the American Legion, following the present practice in respect to the late General Frederick Ward who lost his life while leading a Chinese force in the Taiping Rebellion, will be placing wreaths on the grave of Bob Short. Surely there would be no danger of offending the Japanese should some respect be shown now for the mother of Bob Short!

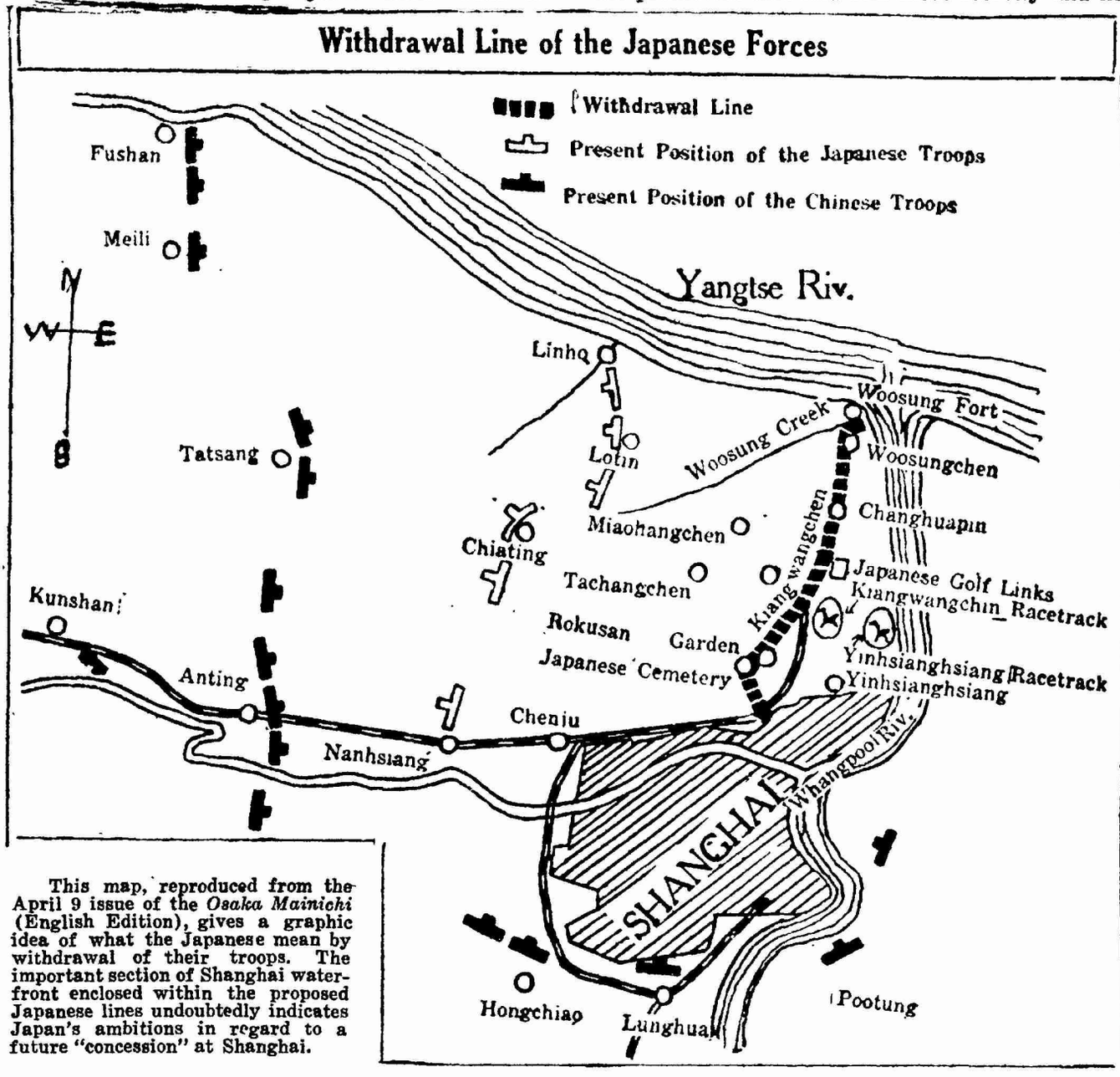
AMERICA'S FLEET TO STAY IN THE PACIFIC

A RECENT *United Press* telegram from Washington stated that it is pretty well understood that the American Government will keep the main part of the United States Fleet in the Pacific for an indefinite period. The fleet was brought through the Panama Canal to the Pacific for the maneuvers in Hawaiian waters. Although these maneuvers were planned way ahead of the Japanese invasion and attack in Manchuria and Shanghai, the maneuvers happened to coincide with these events, and also the maneuvers were, probably as a result of the Japanese action, held on a somewhat larger scale than was originally planned. The stationing of the main American Fleet in the Pacific not only indicates the American government's appreciation of the fact that the nation will in future more and more have to look to the Pacific rather than to the Atlantic—this being in line with Theodore Roosevelt's dictum several decades ago—but there is undoubtedly also a veiled intimation to Japan that it had better not go too far or else it will have to reckon with America. In case hostilities ever should break out between Japan and America at a time when the American Fleet is lying in the Atlantic there is always the danger that the Panama Canal might be blown up either by Japanese or Japanese agents, and thus delay the arrival of the American fleet out here by several months; hence the advantage of keeping the American Fleet in the Pacific. In this connection it is interesting to note that a recent Japanese telegram from Honolulu brought the news that Rear-Admiral Yates Sterling, former Commander of the Yangtsze Patrol, in a report to Washington stated that in case of

emergency between Japan and the United States the American citizens of Japanese ancestry in Hawaii would be sure to come to the support of their fatherland and take up arms against the United States. On the basis of this view, it is said, he dwelt on the necessity of participation of the Army and Navy in the administration of the island. Much importance is attached to his view as opinion is gaining strength in Hawaii for administration by a committee system.

The "Independent-Free-City State" Scheme for Shanghai

WE do not know whether any of our readers have seen copies of a pamphlet labeled "Private and Confidential" which is being circulated about Shanghai and mailed abroad in large numbers. The pamphlet deals with a scheme to establish a so-called "Independent-Free-City-State" at Shanghai. Although most of the promoters of the plan are allegedly connected with certain foreign real estate concerns, none of them apparently had sufficient courage to sign their names to the pamphlet which has been circulated so "secretly" that each copy is numbered supposedly in order to prevent its falling into the hands of some Chinese patriot who might raise premature objection and thus block the scheme. Most interesting stories are told about how the scheme came to be drafted; how the promoters met and still meet secretly and no one is admitted to the inner-circles unless he pledges himself not to divulge the details.



This map, reproduced from the April 9 issue of the *Osaka Mainichi* (English Edition), gives a graphic idea of what the Japanese mean by withdrawal of their troops. The important section of Shanghai waterfront enclosed within the proposed Japanese lines undoubtedly indicates Japan's ambitions in regard to a future "concession" at Shanghai.

The whole thing sounds like a Hollywood mystery play and this impression is further confirmed by the fact that the whole scheme was exposed and made public as the result of disclosures made in a cable or cables sent by a Shanghai foreign correspondent to a leading

newspaper in the United States. As a result of these disclosures the main outline of the secret plan for carving out a new and independent state at the mouth of the Yangtsze is now more or less public property. But even yet only one Shanghai newspaper (*The China Press*) has printed anything on the subject.

To end the suspense of our readers we hereby "expose" the main details of the so-called "Independent-Free-City-State" plan:

1—The Chinese Government shall surrender for an indefinite period all control and jurisdiction over an extensive zone at the mouth of the Yangtsze River.

2—The area to be included in the new independent city-state shall embrace the Chinese Municipality of Greater Shanghai, the International Settlement, French Concession and an adjacent area of twenty miles surrounding the city. It shall embrace all waterways wharves and jetties within the zone, all communication facilities including railways, telegraphs and cables.

3—The independence of the city-state shall be guaranteed by a charter providing for the indefinite existence of the state which shall be granted by the Chinese Government. The charter cannot be terminated under any conditions until it has been in existence for 35 years and then only providing five years prior notice is given.

4—The Chinese Government shall have no authority over the city-state or its citizens, except that the city-state shall not have power to make treaties or agreements with other foreign governments, except with the approval of the Chinese Government.

5—The Chinese Government shall not be permitted to maintain any official organs within the city-state except such as the authorities of the city-state may agree to. The Chinese Government, however, may be permitted to maintain a post office in the city-state, but with a condition that no censorship of mail is permitted. The Chinese Government also may be permitted to maintain a customs establishment within the city-state for the purpose of assessing duties on products "shipped from the city-state into Chinese territory."

6—Foreign governments shall relinquish forever all exterritorial rights over their own subjects residing within the state, said foreign citizens and subjects as well as Chinese citizens to be subject to special courts established within the state.

7—All foreign military, naval and air forces shall be withdrawn from the city-state and surrounding neutral zone, but the governor-general of the state shall have the power to request the foreign powers to station a sufficient force within the zone for protective purposes, but in no case may the forces of any one nation exceed 3,500 effectives. All Chinese forces must be withdrawn from the city-state and environs after the charter is granted. The forces used for the protection of the city-state shall be financed by the state. No foreign nation, including China shall have the right to land forces within the city-state or engage in hostilities within a certain specified distance from its borders.

8—The highest executive officer of the city-state shall be a "Governor-General" appointed through the League of Nations or Court of International Justice at the Hague. Under the Governor-General shall be a "senate" or executive committee consisting of seven persons, four from the International Settlement, two from the French Concession and one from the Chinese Municipality of Greater Shanghai. Legislative or administrative authority shall be vested in a "council" of twenty members, nineteen to be elected by the citizens of the state and one by the Chinese Government. Membership on the Council shall be apportioned among the various nationalities in general proportion to their voting strength.

9—Legal authority shall be vested in a Supreme Court and such other courts as may be deemed necessary. Supreme Court to be composed of five judges, four to be appointed by the Governor-General and one by the Chinese Government.

10—The term of the Governor-General shall be for four years with suitable provision for impeachment.

11—The Chinese Government shall bind itself to prevent all shipments of arms either to the city-state or through its territories, from the adjoining Chinese territory.

12—The Chinese Government shall bind itself not to take any action which would place the Shanghai city-state at a dis-advantage in respect to any other town, city or port of China. No duties shall be levided on any product imported into the city-state except such as the authorities of the city-state may designate. Also there shall be complete freedom from discriminatory legislation or taxation on products or imports into the city-state from Chinese territory.

13—The security of the Shanghai Independent City-State shall be guaranteed by international agreement providing for complete neutrality and the military forces of the city-state shall be used only for policing and defence of the port against attack from without.

14—The Chinese Government shall assign for an indefinite period all jurisdiction over the persons and properties of Chinese citizens residing within the zone, with the condition that rights and privileged so assigned shall revert to the Chinese Government upon expiration of the agreement.

The foregoing constitutes in brief outline the scheme for the creation of an independent-free-city-state at the mouth of the Yangtsze River which allegedly is the brain-child of some of Shanghai's best minds. Allegedly the Japanese had nothing to do in the drafting of the plan, which, according to report is to be submitted to the Chinese Government and the Powers as an alternative or antidote to the Japanese scheme for the creation of an independent Japanese concession that would embrace all territory along the Whangpoo between the International Settlement and Woosung. In other words China is to be told that the only way to avoid a further raid on Chinese territory by the Japanese is to turn the whole area over to an "allied" alien administration that would embrace the entire area—a sort of "out of the frying pan into the fire" arrangement when considered from the viewpoint of the Chinese and their national interests.

But while it is alleged the Japanese have had nothing to do in the framing of the "independent-city-state" scheme, there seems to be considerable circumstantial evidence in existence that makes it appear that the Japanese may be the real instigators. The Japanese Foreign Office several weeks ago unofficially proposed the demilitarization of all of China's leading ports and the establishment therein of foreign administrations. The Japanese also have taken the lead in the establishment of a "puppet" administration in Manchuria, which if allowed to stand means the actual beginning of the dismemberment of China; hence the carving out of a new independent foreign-administered state in the lower Yangtsze would merely be a continuation of the process.

The chief point of interest at the present seems to be concerned with the question, whether the independent-city-state scheme has the support of the local authorities of the International Settlement, or whether it is merely the work of a few adventurers who have taken advantage of the lull in legitimate business in thus occupying their time. Circumstantial evidence, however, points in the direction of official connivance on the part of certain interests intimately connected with the International Settlement. For example Tao Lo-ching, secretary-general of the Chinese Ratepayers (voters) Association, was quoted in *The China Press* on Sunday, April 17 as strongly criticizing A. D. Bell, chairman of the Municipal Council for advocating the demilitarization of the Shanghai district. According to the report, Mr.

Bell, shortly after his election to the chairmanship of the Council, issued a statement advocating the permanent withdrawal or ejection of all Chinese military forces from the environs of the Settlement. The Secretary-general of the Chinese Ratepayers Association declared that since the entire area about Shanghai is Chinese territory, the Chinese Government has the right to station troops therein for the preservation of peace and public safety. Recent bitter experience has shown, according to Mr. Tao, that the Chinese Government placed too great dependence on international agreements and that there actually were too few Chinese troops stationed here. In other words he declared, "Whether the Chinese Government should station its troops at Shanghai depends entirely upon whether there is a menace to the nation's sovereignty and security."

Only time will tell whether the at present secret and underground intrigue for the creation of an independent-city-state at Shanghai, has the support of the administration of the International Settlement. In this connection readers of *The Review* are referred to a recent article in these columns (April 2) wherein it was shown quite conclusively that the present Municipal Council due to political intrigue at the last election practically amounts to a Japanese "puppet" government.

Japanese Find "Pacification" of Manchuria a Tough Job

ACCORDING to reports which reached Harbin end of last week, General Tamon—the Japanese victor of the famous battle at Nonni River bridge battle towards the end of last year—in an interview declared that in view of present conditions in North Manchuria it would take two or three years and the services of 100,000 troops to clear the territory of banditry. At the same time he accused Soviet officials of the Chinese Eastern Railway of hampering the efforts of the Japanese authorities to restore order in Manchuria in that they placed restrictions on the carrying of Japanese troops on the eastern branch of the Railway.

As the result of the refusal of the Soviet Authorities to allow the C.E.R. trains to be used any longer for the transport of Japanese troops towards the Eastern frontier of Soviet Russia, the Japanese military command found that they had to adopt other means of getting there, and they therefore commandeered all the motor vehicles in Harbin and used them for the transport of their troops. The first three trains of Japanese troops which were permitted by the Moscow Government to travel to Imienpo and Hailin were permitted by the Soviets on the distinct understanding that these troops were only for the protection of the Japanese residing in that part of the country, and that the permission was not to be used as a precedent. However, when the Russian newspaper, *Harbin Times*, which is a Japanese-owned journal camouflaged as Russian, began to argue that as a precedent had been established there was no reason why further trains should not be put at the disposal of the Japanese military command, the Soviets got their backs up and absolutely refused to carry any more Japanese troops eastwards.

Although the telegrams from the north speak of the Soviets refusing permission to the Japanese military authorities to transport troops it is evident that the Japanese are still using the trains, for a telegram from Tokyo April 13 reported that a train filled with Japanese troops was derailed by an explosion while traveling a short distance east of Harbin. The train plunged over a cliff, taking 15 officers and men to their death. Nineteen others were seriously injured and several of them are not expected to survive. In addition 74 officers and men received only slight injuries. All five carriages and 46 wagons, of which the train was comprised, were smashed and subsequently fire broke out to complete the destruction. There were a number of horses on the train and many of these were killed. Although the identity of the train wreckers is still unknown, the latest despatches from Harbin indicate that a portion of the rail was found to have been removed at one point of the train and dynamited. The victims formed a part of a detachment of 150 Japanese soldiers who were returning to Harbin after operations against bandits at Fangcheng.

An attempt to bomb the iron bridge across the Sungari River on the Harbin-Changchun section of the Chinese Eastern Railway, was frustrated by the garrison units several days ago. One hundred pounds of explosives intended to blow up the troop trains of the Japanese were discovered at the bridge.

A *Reuter* telegram from Harbin April 13 stated that the unrest against the new administration of Manchuria is spreading, judging by reports from the eastern section of the Chinese Eastern Railway, where Korean and Chinese Communists are working hand-in-glove with the Old Kirin forces, who are bitterly opposed to the Manchukuo regime. The Old Kirin troops, together with the Communists, are distributing pamphlets among the inhabitants urging the overthrow of the Manchukuo Government. The establishment of a Soviet government in Manchuria and an alliance with Russia are also urged.

The National Salvation Army has been reorganized and Wang Te-lin and Liu Wan-kuei made Field-Commander and Vice Field-Commander, with headquarters at Ninguto. The Army is now composed of five route armies respectively under Wang Te-lin, Liu Wan-kuei, Chiang Hai-shen, Chang Chih-peng and Li Hsiang-shan. Several detachments of "Big-Sword" corps are attached to the 1st and 2nd Route armies. Removal of the headquarters of several Japanese divisions and brigades has been effected.

Another Japanese brigade arrived at Harbin last week. The National Salvation Army, which has advanced to Kaolingtse, is facing the combined forces of the Japanese units and the insurgents under Hsi Hsia at Hailin station, on the Harbin-Suifenho section of the Chinese Eastern Railway.

According to a recent Harbin dispatch, the Chinese national flag once more flies over Tsitsi-

har, the provincial capital of Heilungkiang, and also along the Tsitsihar-Keshan Railway and at Hailun. This is due to the fact that all Heilungkiang units formerly under Ma Chan-shan have risen up in arms to oppose the Japanese. A telegram from Shanhaikwan, end of last week stated that at the instigation of the Japanese, the puppet Manchukuo government has imposed an embargo on the transportation of foodstuffs from the North-east to the provinces within the Great Wall. The Japanese hope thereby to enjoy a monopoly of the market for Manchurian products. It is understood that the so-called Mukden-Shanhaikwan Railway will not transport any foodstuffs on the Line as from April 15 in accordance with instructions of the puppet government.

The situation on the eastern section of the Chinese Eastern Railway, where roving bands of brigands have been committing outrage after outrage, is also daily becoming more serious. The station of Lukashevo, six miles east of Imienpo, was raided by a body of 1,000 brigands April 15. The raiders, besides completely looting the station added to the miseries of the inhabitants by setting their dwellings on fire. The bandits fired upon the trains and interrupted traffic for 10 hours.

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There has been an almost complete collapse of Japanese authority in Manchuria except in the South Manchuria Railway zone and the section of the Chinese Eastern line extending from Changchun to Harbin. An extensive district west of Mukden along the newly constructed Chinese railways in the vicinity of Taonan, Tungliao and Chengchiatun has rebelled against the puppet Manchukuo regime. A fresh rebellion has also broken out in the Chientao district, bordering on the Korean frontier, while another serious uprising has developed in the Wanpaoshan district, northwest of Changchun, where it is reported 130 Korean farmers are surrounded by 400 Chinese loyalist cavalry.

A recent *Reuter* telegram from Harbin gave details of how the situation in North Manchuria was daily becoming more complicated because of the fact that in many regions the anti-Manchukuo forces are in command of the situation rather than the Manchukuo forces. The government garrisons of various small towns have gone over to the anti-Manchukuo troops, in several cases the threat of assault on a town having been sufficient for the government garrison to desert to the other side. A new name has been found for the Manchukuo army, it now being known as the "live and let live army," because it seems disposed to do anything but fight for the "new" country. The anti-Government troops have been considerably strengthened by the return of General Ma Chan-san to the fold.

The anti-Kirin troops occupied the city of Pogranitchinaya on the Soviet border on the night of April 13. The Japanese residents of the town withdraw to Vladivostock. Japanese cavalry was despatched to Imienpo where the anti-Kirin forces rallied following the withdrawal of Japanese troops toward Harbin.

General Tamon later withdrew his headquarters from Harbin to his old station at Liaoyang 40 miles south of Mukden, the reason being that the Japanese troops have become completely exhausted and dispirited as a result of the futile attempt to cope with the Chinese guerilla bands along the eastern section of the Chinese Eastern Railway as well as the lower Sungari river. Recent advices from Harbin stated that General Tamon sent two columns down the Sungari and attempted to occupy the towns of Sanshin and Fangchen where Chinese loyalists under General Tung Chao had their headquarters. Owing the mountainous and timbered nature of the country the Japanese could not use their artillery or tanks, while the airbombing raids proved futile due to the impossibility of the aviators scattering the Chinese forces. The Japanese troops were subjected to continuous guerilla warfare at the hands of the Chinese troops which were familiar with the terrain. The result was that General Tamon was forced to withdraw.

A radio message from General Ma Chan-shan April 15 reported that he has officially removed the seat of the Heilungkiang Provincial Government to Taheiho (opposite Blagovestchensk) and severed relations with the puppet Manchukuo Government. All Heilungkiang forces directly under his command are stated to be now concentrated between Taheiho and Hailun. The artillery brigade under General Yuan Tsung-ku is stationed along the Tsitsihar-Keshan Railway while the cavalry brigade under General Cheng Chih-yuan is at Tsitsihar, the provincial capital of Heilungkiang. Contact has been established with the Heilungkiang units under General Su Ping-wen, Garrison Commander of Hailar (Hulunbar), and the Kirin troops under General Li Tu, the despatch added.

A *Kuo Min* message from Harbin stated that Generals Li Tu and Ting Chao, Commander-in-Chief and Vice-Commander-in-chief of the Kirin Self-Defence Army, have removed their headquarters further north-eastwards to Fuchin, south of the Sungari River in north-eastern Kirin. Japanese airplanes are making further raids on Ilan (Sansing). The radio station, which had been damaged by a previous bombardment, had been repaired and is functioning again.

Disorders in America, New Zealand and Australia

Pitched Battle Between Police and Gangsters in East St. Louis

A whole quarter of East St. Louis was turned into a battle-field on the night of April 15 when Illinois State police attacked the lair of a notorious gang. Sawed-off shot guns, machine guns, Lewis guns and automatics were brought into play during the affray. Two gangsters and their chief were killed outright and several others captured. The police believe that they have succeeded in cleaning up a gang which had been terrorizing the city in recent months.

Rioting in New Zealand

Serious riots occurred recently in various parts of New Zealand. On the night of April 15 a crowd, mostly Communists, gathered in Brangahap Road, a well-known shopping center, and commenced smashing windows. Mounted police arrived and in the bitter fighting which ensued about 50 persons were injured. The militia was later called out.

"Red Army" Forms in Australia

A telegram from Sydney, Australia, April 16 stated that a "red army" is prepared to "take up arms for Premier Lang if called upon." Members of the army are being organized by the Trades Hall Labor Council. It is proposed to make ex-service men "with working class views" the nucleus of the force. Officials expect to enlist 25,000 ex-service men and 100,000 labor volunteers. The formation of this "red army" is a sequel to the political and financial war between Premier Lang and the Federal Government of Australia.

Military Adventures Cause Heavy Strain on Japan's Finances

The Japanese War Office on April 20, opened negotiations with the Finance Office for further credits of Yen 205,000,000 to cover estimated military expenditures at Shanghai and Manchuria for the period extending from June, 1932 to March 1933, which sum, it was stated in a *Reuter* report would allow the dispatch of more troops if necessary. This will necessitate the issuance of still further bonds and will raise the bond issues for war purposes to well above Yen 400,000,000.

THE problem of how Japan is going to finance its huge military adventures continues to occupy, as well it may, the various departments of the Japanese Government, the bankers and the newspapers. Some idea of what the Manchurian and Shanghai adventures are costing the Japanese Government was contained in a *Rengo* telegram from Tokyo April 16 which stated that, following a series of conferences between the authorities of the War, Navy, Foreign and Finance Departments, a decision was reached regarding the expenditures in this connection. The figure was not made public, but it was estimated by competent observers that the gross total of the expenditures for the Manchurian and Shanghai expeditions up to June this year would amount to something like two hundred million yen.

According to the *Japan Chronicle* of April 12 the Supplementary Budget for the present fiscal year to be laid before the forthcoming extraordinary session of the Diet is likely to be fixed at Yen 83,000,000. The original intention of the Finance Department was to balance it at Yen 75,000,000 but it had to yield to the claims of the various Departments to the extent of about Yen 8,000,000 more. As the working General Budget for the present fiscal year amounts to Yen 1,454,760,000, the Supplementary Budget will bring the total to Yen 1,537,760,000. This figure it is to be noted is exclusive of the expenditure on the Manchurian and the Shanghai affairs. When all items, the General Budget, the Supplementary Budget and the war expenditure, are put together, the total expenditure for the present fiscal year will probably reach Yen 1,700,000,000. A brief telegram from Tokyo stated that the Cabinet Council had officially passed the extraordinary working budget. Classified according to Departments, the Budget Estimates, the Supplementary Budget included for the current fiscal year, are as follows. It is to be noted that the figures are in thousands of yen.

Departments	Ordinary	Extraordinary	Total
	(In Yen 1,000)		
Civil List	4,500	———	4,500
Foreign	15,797	3,824	19,621
Home	46,801	105,588	152,390
Finance	303,216	15,056	318,273
War	166,316	50,882	217,198
Navy	140,766	98,596	239,362
Justice	31,221	520	31,741
Education	128,007	6,096	134,101
Agriculture and Forestry	27,763	27,734	55,506
Commerce and Industry	4,534	6,254	10,789
Communications	298,376	39,965	338,342
Overseas Affairs	2,149	20,265	22,414
Total	1,169,451	374,793	1,544,245

The Colonial estimates are follows:—

	Revenue (In Yen 1,000)		
	Loans	Others	Total
Korea	19,240	195,272	214,512
Formosa	3,000	93,360	96,360
Kwantung	954	19,036	19,990
Karafuto	1,000	21,416	22,416
South Seas	———	5,014	5,014

	Expenditure (In Yen 1,000)		
	Ordinary	Extraordinary	Total
Korea	163,398	51,113	214,512
Formosa	77,106	19,253	96,360
Kwantung	16,283	3,706	19,990
Karafuto	16,357	6,059	22,416
South Seas	2,665	2,349	5,014

The total amount of loans to be issued in the present fiscal year is not yet fixed, as the Manchurian (and Shanghai) affair expenditure after June still remains to be estimated. As regards the bond issue to cover the Manchurian affair expenditure, latest advices are that the Bank of Japan is to take over the whole lot.

The Japanese Department of Finance is scheduled to issue national bonds to the extent of Yen 254,800,000 for the current year of 1932-3. These bonds will be taken over by the Deposits Bureau and other semi-official organs as follows:

Deposits Bureau	Yen 219,000,000
Simple insurance account	18,000,000
Railway Mutual Aid Guild	10,000,000
Communications Aid Guild	1,000,000
China cultural work account	1,500,000
Police Association	3,000,000
Korean simple insurance account	2,300,000
	Yen 254,800,000

Meanwhile the critical financial position of Japan is stressed both in the newspapers and by many Japanese statesmen. Baron Wakatsuki, the former Premier and President of the Minseito party, in a speech at Tokyo April 16 said the Japanese Cabinet's financial and economic policy was very reckless. He urged that when the national finance reveals a deficit the proper policy for the country to adopt was to economize on expenditure; but the present Government, instead of trying to find new sources of revenue had been content to adopt a policy of heavy borrowing in order to cover the deficit. Baron Wakatsuki stressed the point that the business situation had become worse than before. Funds are very scare, he said, and the outlook is gloomy. He added that there was a strong possibility that things would grow decidedly worse. The *Chronicle* (April 16) said the Japanese public is evincing increasing impatience at the poor prospects of business recovery. The impatience had developed into a sort of panic because of the accumulation of unfavorable factors. There was a slump all round April 14 in the Japanese share market, in the rice market, in the silk market and in the cotton market. The hopes raised by the reimposition of the gold embargo had been shattered. There had been a general over-estimation of the effects of the reimposition of the gold embargo, and the speculative deals at the last year-end and early this year have been reacting unfavorably on the financial world. The rise of prices, it was evident, had no stable ground to stand upon, and there is now a falling tendency in retail prices because of the shrinkage of actual demand and consumption. There is no trade improvement, contrary to general expectations that it would come as the natural result of the low exchange. The Japanese bankers were not relaxing their cautious attitude despite the Government's exhortations. The result has been that smaller Japanese industrialists and mer-

chants are hard up for funds. The agrarian population has also been thrown into greater distress by a rise in the prices of fertilizer and other commodities.

The heavy financial burden which the country has to bear, made all the more intolerable because of the very bad state of trade is causing repercussions in many directions. The growing state of unrest among the Japanese people was reflected in a *Reuter* telegram from Tokyo April 16 which stated that the Social Democrats, which so far had proved the stablest faction in the Japanese proletarian movement, had split. Those seceding from the party were expected to form a new political party with State Socialism as the basis of its constitution. This split reflects the growing wave of anti-capitalism in Japan and loss of faith in party government based on parties which are becoming increasingly discredited because of their setting party interests above national interests.

The Itsukakai, a society of leading bankers, trust men and underwriters, discussed financial problems confronting the country at their last regular monthly meeting in the second week in April. Mr. Baba, Governor of the Japan Hypothec Bank, detailed a plan to transfer bankers' loans to the Japan Hypothec Bank. Not only would this plan require an extensive reform in the Mortgage Bond Law, the Auction Law, the Japan Hypothec Bank Act and the Registration Law, but also it would necessitate the Government indemnifying any loss that the Japan Hypothec Bank might incur, he explained. As regards the working funds needed by the Japan Hypothec Bank, Mr. Baba took the view that the Bank of Japan should underwrite hypothec debentures. Mr. Hijikata, Governor of the Bank of Japan, declared that the Bank would be ready to underwrite under State guarantee. The acceptance of hypothec debentures is nothing but a loan without security, and the Bank of Japan as the central banking organisation is unable to underwrite without State indemnification.

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Statistics furnished by the Japanese Commercial Consellor in Shanghai during the week showed that Japan's export and import trade values totalled respectively Yen 100,000,000 and Yen 166,000,000 during March, showing a decrease by four per cent. and an increase by 30 per cent, respectively, in comparison with the corresponding period of the previous year. This showed an unfavorable trade balance of Yen 650,000,000. From January to March this year, export trade values totalled Yen 258,000,000 with the result that there was an excess of imports over exports by Yen 159,000,000. Compared with the corresponding quarter of the previous year, the trade figures for the quarter under review recorded an increase of Yen 80,000,000 for imports and a decrease of Yen 40,000,000 for exports, representing an unfavorable trade balance of Yen 123,000,000.

As regards Japan's China trade during the month, there was a decrease by six per cent. in imports and a decrease by 31 per cent. or Yen 14,000,000 in exports, representing an unfavorable trade balance by Yen 6,000,000, which increased to Yen 16,000,000 as the import excess since January this year. Geographically analyzed, Japan's China export trade during the month showed a considerable decrease by 96 per cent. to central China, 97 per cent. to south China, and 72 per cent. to Hongkong, respectively. However, the export trade values to Manchuria showed an enormous increase by 72 per cent. as compared with the previous corresponding period.

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In a recent issue the *Tokyo Asahi* drew a very gloomy picture of Japan's finances. Britain, it pointed out, had succeeded in eliminating the Budget deficit in the financial year ended on March 31, though a deficit of about a billion yen had been anticipated; America had also arranged for the removal of a deficit in the fiscal year which begins in July this year. Japan's finances on the other hand, the Tokyo journal continued, showed a very poor contrast with these countries. So far from there being any prospect of the elimination of the deficit, there had been a positive decline in revenue. Trade had become further depressed the *Asahi* said, an adverse

(*Continued on page 269*)

Tension Between Soviets and Japanese Increased--White Guard Activities Cause Resentment

THE tension between the Soviet Government (Russia) and Japan has been further accentuated because of various incidents which have occurred during the week. That Moscow is becoming alarmed over the course of events in the Far East was indicated by a warning sounded April 10 by *Pravda*, official Communist organ, which declared that Japanese militarists are seeking a pretext to declare war upon the Soviet Union. Asserting that Japan is not content with the occupation of Manchuria and the divorcing of the rich Three Eastern Provinces from China, *Pravda* alleges that Tokyo is preparing to clutch at a slice of Siberia. "The Japanese imperialists are intensively preparing for further war actions outside of Manchuria," *Pravda* indignantly accuses. "All the so-called 'positive policy' of the Japanese imperialists follows one definite and unchanging purpose—transformation of the occupied country into a hotbed of trouble from which further adventures may be launched."

The official *Tass* agency in a telegram from Moscow April 15 recounted serious charges against Japan, based on dispatches from Habarvosk. Plans to "stage fresh provocation calculated to cause grave conflict between the Soviet and the Manchurian authorities" were attributed to certain Japanese military circles in Harbin, these reports adding that Japanese military authorities in Harbin had been insisting that the Chinese authorities should search the Soviet consulate-general in Harbin on the pretext that the consulate was alleged to have arranged terrorist outrages and sabotage of the Chinese Eastern Railway, "whereas," says *Tass*, "these outrages have been provoked by White Guards, Chinese and Japanese." According to a later Habarovsk message the chief of Chinese police in Harbin, General Wan Jui-hua, refused to comply with the Japanese request to search the consulate unless he was directly ordered to do so by the Manchurian government at Changchun.

Moreover, it is stated, the Japanese made it an indispensable condition of the search that it should be carried out entirely by Chinese police and that in no circumstances was General Wan to reveal that the affair was inspired.

Tass telegrams from Moscow almost daily have been stressing the point that the White Guard press in Harbin, also the Japanese newspaper issued in the Russian language in that city, are regularly indulging in a campaign of violent provocation, this following the abortive attempt by White Russians to blow up the C.E.R. railway bridge across the Sungari River and several other C.E.R. properties. Authoritative circles in Moscow are quoted as declaring that there is no doubt whatever that these newspapers are directed from the same source that was interested in concealing the real inspirers and organizers of those attempts, and in ascribing the latter to citizens of the U.S.S.R. The meaning of this provocative campaign, the Moscow advices state, is made clearer by the statement of the Japanese-owned *Harbinskoie Vremia*, which declared that the Sungari Bridge explosion was prepared "by order of the Eastern Department of the Communist International, working in conjunction with Marshal Chang Hsueh-liang and the Kuomintang." The Russian view of the matter is that the entire series of provocative acts was timed to coincide with the arrival in Manchuria of the League of Nations Commission, with the object of showing that Manchuria is menaced by Communism and monarchy, both of which are kept in check only by the presence of the Japanese Army. The Soviets say that the inspired Harbin newspapers stubbornly conceal the fact that when the attempt was made to blow up the Sungari River bridge the watchman who was killed by the criminals was a Soviet citizen, while his confrere, a White Guard, escaped without injury.

Izvestia, the official organ of the Soviet Government, April 15 published a long editorial under the heading: "New Series of Provocations in Manchuria." The following are extracts from the *Izvestia's* editorial:

> "Recently events have occurred in the territory under the control of the new Manchurian Government which require close attention. Cases of suspicious White Guard machinations have been constantly repeated, and are almost openly coordinated with actions of the Manchurian police. They are accompanied, also, by a Japanese and White Guard press campaign. The provocative attempt to blow up the C.E.R. bridge over the Sungari River happened at the exact moment the notorious White Guard 'General' Someonoff was openly negotiating with influential Japanese circles in Tokyo, and it was a signal not only for Manchurian but also Japanese newspapers mysteriously to try to connect the attempt of White Guards to blow up the Sungari bridge with the derailment of a train near Harbin, and with the absolutely absurd rumors that General Ma Chan-shan has arrived at Blagovestchensk, using these to 'demand' resolute action by the Japanese authorities in Manchuria in regard to 'a certain country.' The Japanese correspondents clumsily try to pose as diplomats, hinting that 'a certain country' has started organizing destructive acts of red terror."
>
> "It is not difficult to understand," continues *Izvestia*, "that all these provocative reports aim to strain relations between Japan and the 'certain country'—which everyone knows means the Soviet Union. The Japanese paper in Harbin, the *Harbinskoie Vremia*, even speaks of plotting between the 'Eastern Branch of the Comintern and Marshal Chang Hsueh-liang and even the Kuomintang'. One can only be surprised that these newspapers forget to accuse Mahatma Gandhi and Herr Hitler of aiding in the explosion of the Sungari bridge.
>
> According to *Isvestia* this provocative campaign pursues definite political aims, being put in operation to create an excuse for an increase of Japanese troops in Manchuria. The scheme of the Japanese militarists is to show that "there is no order in Manchuria" and that there must consequently be an increase of Japanese troops. In this connection it is highly significant that Japanese newspapers in Tokyo published a communique of the French War Ministry to the effect that "it is necessary to increase Japanese troops in Manchuria because the new Government has neither the possibility nor the power to maintain order."
>
> "When one takes into consideration the expected arrival of the League of Nations Commission in Manchuria, another cause for anti-Soviet provocation is revealed. By these clumsy methods the Japanese militarists wish to prove to the Geneva guests that the Japanese army of occupation, together with the White gangs, are 'guardians of civilization.'

On April 16 a White Guard demonstration took place in Harbin, and (according to *Tass*) 400 of the demonstrators proceeded to the C.E.R. offices where they closed all the exits and laid siege to the premises. Shouting threats against the Soviet members of the C.E.R. Board, the White demonstrators then tore down the doors of the building and broke into the office of M. Kuznetsov, Vice-Chairman of the Board, who was not in the building at the time. They ransacked the papers in the office and threw it into a state of wild disorder. The leaders of the mob were seen to be armed.

The Chinese police and the C.E.R. guards, it is alleged, took no steps to prevent the raid or to arrest the White Guard bandits. A little earlier a mob of White Guards attacked M. Kuznetsov in one of the streets. M. Kuznetsov managed to escape in his automobile, while the police limited themselves to the role of onlookers.

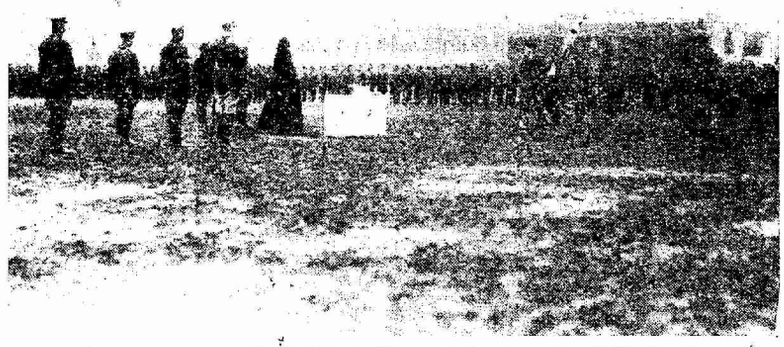
Another source of irritation between the Soviets and the Japanese is General Ma Chan-shan, whose peregrinations have been watched with amazement not only by the Chinese themselves, but by the Japanese and Russians as well. The Japanese have charged that the Soviets have been backing up and instigating General Ma, even alleging that he had been making Blagovestchensk, in Soviet territory, a base of operations. This the Soviets have indignantly denied, asserting that General Ma has never been in the city. It is to be noted in this connection that the long message which General Ma sent out recently detailing the reasons for his break with the Japanese was issued from Taheiho, which is situated directly across the Amur from Blagovestchensk.

A minor source of irritation between the Soviets and Japan was that on the morning of April 8 a Soviet technical expert is reported to have secretly made away with a Japanese monoplane, heading towards Soviet territory. Four Japanese planes vainly chased the Russian as far as Suifenho, on the Kirin-Siberian border. The next day; three Soviet citizens were arrested.

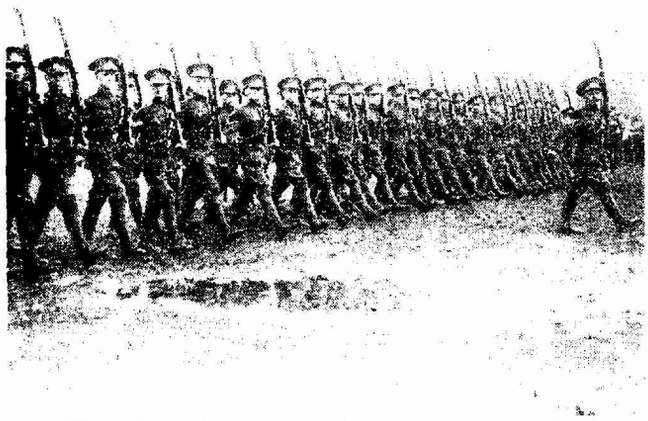
It is stated that various Soviet commercial organs in North Manchuria have been instructed by their home Government to wind up their affairs within the current month. According to reports compiled by Soviet officials, heavy losses have been sustained by Soviet trading organizations since the Japanese invasion of Manchuria on Sept. 18 last year.

French Concession Also Has White Russian Detachment

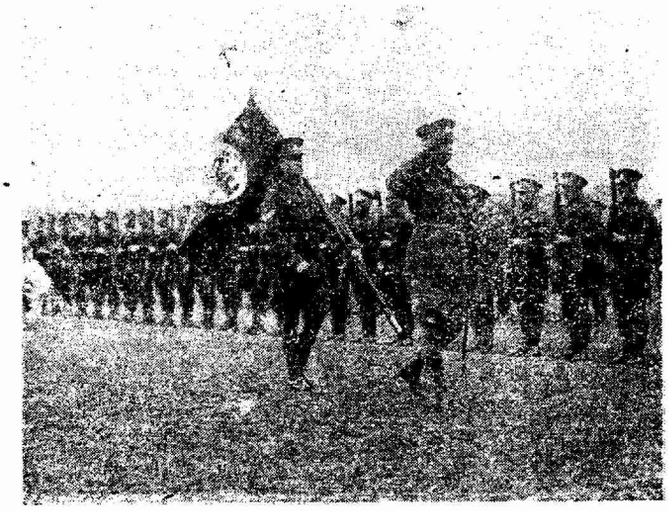
Following the example of the British-controlled International Settlement of Shanghai, the French Concession has also organized a special Russian Detachment, composed of two companies of about 25 men each. The organization of this Russian detachment follows pretty much the same lines as that adopted in the International Settlement, that is, the members of the Detachment are all White Guards who had formerly served in the old Czarist Army. The recruiting in the French Concession was originally under the supervision of General Gleboff, the two companies being headed by two generals of the former Russian Armies, General Adamovitch, an officer of the Pavlovsky Regiment, and Gen. Govoroff of the Sumskoi Hussar Regiment. The men in the two companies had served in a voluntary capacity during February and March, but as from April 1 the detachment has been reorganized by the French Administration. The two companies have been united under the command of General Adamovitch, with General Govoroff as his second in command, and as from the above date have been receiving pay approximating that given to the Detachment in the International Settlement. Some of the men whose services were not required with the new body have been enrolled in the special Russian Fire Brigade which has been created.



Ceremony recently held at Shanghai when the "White Guard" Shanghai Volunteer Corps, composed entirely of Russian emigrees was presented with its flag. Prior to the presentation the flag was blessed by a priest of the Russian Orthodox Church.



The above illustration shows the Russian "White Guard" Volunteer Corps marching past the reviewing stand at the ceremony held in commemoration of the presentation of the colors. The Russian Volunteer Corps in Shanghai now includes four companies in the International Settlement, embracing some 600 men while the French Concession has two companies—the total being somewhat less than 1,000 men.



Presentation of the Colors to the Russian "White Guard" Volunteer Corps of the International Settlement. The flag consists of the old Czarist emblem upon which is superimposed the seal of the Municipal Council of the International Settlement. Several thousand Russian emigrees residing in Shanghai attended the ceremony which was held at the Shanghai Race Course.

American Opium Smuggler Receives Two Years Sentence

Paul S. Crawley pleaded guilty in the U. S. Court for China April 18 to four counts of smuggling a total of 55 three-tael tins of opium from China to the United States on board the U. S. Navy transport *Chaumont*. Judge Milton D. Purdy imposed a sentence of two years imprisonment to be served on McNeill's Island, Washington. The maximum punishment would have been 24 years imprisonment and G. $21,000 fine. Judge Purdy mentioned that Crawley had corrupted a man in the U. S. Naval service who had been sentenced to five years imprisonment.

Chapei "Maintenance Bureau" in New Guise

Several Chinese newspapers in Shanghai state that the "bogus administration" in Chapei, which was recently dissolved, has now removed into the offices of the Revenue Department of the Finance Bureau in Ling Road, eastern district of Chapei. It is known as the "Chapei Refugees Temporary Relief Association." Ostensibly it is a benevolent organization but in reality, it is alleged to engage in extortion "as usual." The orginal closing by the Japanese of the "Maintenance Association," as already reported followed complaints from Americans as to the "squeezes" which were being demanded.

Immigration from Shantung to Korea Prohibited

In accordance with instructions from the Ministry of Foreign Affairs, the Shantung Provincial Government has placed a ban on the emigration of Chinese laborers to Korea. The Foreign Ministry points out that since the anti-Chinese outbreak in Korea last summer, Chinese trade and industry in that country have declined considerably, and as in previous years laborers were chiefly recruited from Shantung, the various district governments in Shantung province should take special note of the situation and adopt measures to discourage such emigration in order that these laborers may not be stranded in an alien country.

GENERAL TSAI AND FELLOW OFFICERS STILL ON THE JOB

Upper Left—Wrecked railway coaches formerly used on the Woosung line. The coaches were burned as a result of Japanese air-bombing at Nanziang, but when the Chinese withdrew the cars were moved to Kunshan station.

Upper Right—Chinese officers studying a war map somewhere near Lukiapeng station behind the Chinese lines.

The officer looking sky-ward from the car window (lower right) is Gen. Tsai Ting-kai watching a Japanese scouting plane somewhere near Kunshan station on the S.N.R. line.

The other two officers (just above) are well-known commanders who participated in the fighting in Chapei. The one on the right is Col. Chang Chun-sung, commander of the 6th Regiment of the 156th Brigade of the 78th Division. It was Col. Chang's force which bore the brunt of the Japanese attack on the night of January 28 and succeding days. He is one of the few survivors of the original class of the famous Whampoa Military Academy at Canton, most of the other officers having been killed in the original Nationalist advance northward from Canton in 1926-1927. Col. Chang is a native of the Hopoo district of Kwangtung and is 34 years of age. He first served as battallion commander under Gen. Chen Chi-tang who was then commander of the Kwangtung 11th provincial division and participated in the campaign against Gen. Chen Chiung-ming in the East River district. Later he was promoted to regimental commander of the Canton garrison. Gen. Chang joined the 19th Route Army two years ago and since has commanded the 6th Regiment of the 78th Division. He was in command of the garrison in Chapei and at the North Station when the Japanese launched their first attack on the night of January 28. With only about a thousand men, he bore the brunt of the Japanese attack and held back the Japanese hordes at Jukong Road, North Station and Paoshan Road from January 28 to February 3 when his men were relieved by the 5th Regiment of the 60th Division. According to report Col. Chang twice drove the Japanese from the North Station, losing approximately 500 men killed and wounded. After a brief rest and reorganization of his forces at Chengju, he and his men were transferred to Kiangwan and again effectively blocked the Japanese drive inflicting heavy casualties on the Japanese at Hsiaozangmiao, Tsoyuanteng and other points in that vicinity. On Feb. 28 Col. Chang's forces covered the withdrawal of the Chinese Army from the Shanghai front to their present positions. Col. Chang's forces have now been entirely reorganized and brought back to their original strength and practically all wounded have returned from Shanghai hospitals.

Col. Liang Tso-hsun

Col. Liang Tso-hsun, whose picture appears in the lower left corner, is the commander of the 5th Regiment of the 121st Brigade of the 60th Division, the division commander being Gen. Sheng Kwang-han. Col. Liang is a native of the Hsin-hsin district of Kwangtung and is 36 years of age. He received his early military training at Canton and participated in the early revolutionary uprisings that resulted in the overthrow of the Manchu Dynasty. He was successively promoted battallion commander, regimental commander and has been with the 19th Route Army for several years. After the outbreak of the fighting at Shanghai his regiment was ordered to the front from Soochow and took over the defence of Chapei and the North Station from the 6th Regiment on the afternoon of Feb. 3 and remained there until Feb. 28, when he was transferred to Paichihchiao and Pengpu. The well-known Chinese machine-gunner, "Charlie Chan" at the North Regiment belonged to this regiment. The 5th Regiment was responsible for the re-capture of the Oriental Library from the Japanese when that property for a time fell into the hands of the Japanese. In the course of the withdrawal of the Chinese forces from Shanghai, on April 2, Col. Liang fought a severe battle with the Japanese at Hwangtu where the Japanese lost more than 70 in dead and wounded.

Events Which Disturb Shanghai's Calm

Charging the Japanese forces now in occupation of the Hongkew District, International Settlement, with looting and other forms of unlawful inteference with business, the Federation of Street Unions in Hongkew has issued a statement pointing out their inability to resume normal business unless the Japanese forces are withdrawn or replaced by municipal police or the defence forces of other nations. The Federation has also submitted a petition to the Greater Shanghai Municipality urging that immediate arrangements be made with the Settlement Authorities to bring about the return of normalcy in the Hongkew District and put an end to the usurpation of police rights by the Japanese troops, which have rendered a general resumption of business impossible.

Japanese Complain of Assaults on Fellow-Countrymen

Mr. Murai, Japanese Consul-General at Shanghai end of last week complained to the authorities of the International Settlement and the French Concession regarding assaults committed by Chinese upon Japanese residents inside said areas. Consul-General Murai pointed out that he has previously informed the authorities of these two Municipal Councils regarding similar attacks upon Japanese civilians reported then, asking these authorities to exercise due precaution to prevent the recurrence of similar incidents.

According to the Japanese statement, on April 13 a Japanese named Tabata was attacked and severely wounded by Chinese in the French concession; on April 14 another Japanese named Iwayama was similarly assaulted in the International Settlement by Chinese. Iwayama, who is 54 years of age, was stated to be in a serious condition as a result of the injuries received.

Another case of attack upon Japanese by Chinese took place on the night of April 14, on Chekiang Road, International Settlement. The victim was an employee of the Naigai cotton mill named Yamaguchi, who was at the time on his way back to the company's residential compound, from the Hongkew district. As he entered Chekiang Road, some three score Chinese surrounded him, and dragged him from the ricsha in which he was riding. He was struck in the face, although the injuries were not very serious. Three Municipal police officers arrived on the scene, dispersed the crowd and rescued Yamaguchi from further assaults.

The above-mentioned incidents, the Japanese authorities point out, were preceded by many others, some of a more serious nature.

Advance of Chinese Troops Near Shanghai

The headquarters of the Japanese Expeditionary Forces in Shanghai on the afternoon of April 15 issued a communique regarding the advance of Chinese troops in the Hungjao district. The Chinese troops in question belong to the 88th Division. They had been stationed to the south of Soochow creek and commenced to move northward toward the creek at midnight April 13, secretly advancing northward with the Hungjao aerodrome as their base. Some 300 Chinese soldiers also entered the town of Hunghaochen the same morning whereupon the inhabitants began to flee.

The *China Press* stated that Chinese and Japanese troops clashed in a serious encounter April 16 in the vicinity of Yanglinkuo, north of Liuho, but no confirmation of such an incident was forthcoming.

Leipzig Fair a Success Despite World Depression

A correspondent writes from Leipzig, Germany, with reference to the Spring Fair held there in March that despite the world crisis the number of exhibitors showed a decline of only 15 percent. Although China was not represented in the exhibits quite a large number of Chinese were in attendance. Outside of Germany, 26 countries participated as exhibitors, including Japan, Austria, Czechoslovakia, Soviet Russia, Spain, Italy, France, British India, Denmark, Canada, and Turkey, with National Collective Shows.

Major-General Doihara Appointed to Brigade Command

Reports from Habarovsk state that Major-General Doihara, who was allegedly cashiered from his post as chief of the Japanese Military Mission in Harbin, was in reality recalled from Harbin in order that he might be appointed to the command of a fresh brigade of troops that has been dispatched to Manchuria from Japan.

Philippine Independence as a World Problem

Representatives of European and Asiatic Powers at Washington, D. C., who have studied the results of possible independence of the Philippines, as provided by the Hare Bill recently passed by the House of Representatives, according to the *United Press* have expressed the belief that the United States might retain sufficient control after independence had become effective to prevent the Islands from disturbing the peace of the Orient. High diplomats who have reported their attitude on the situation to their home Government said that they anticipated that the Philippines would have, under the independence grant now contemplated as a possibility, a status similar to that enjoyed by Cuba.

The United States would retain naval and military bases in the Islands, by this program, and would preserve the right of intervention in the event of disturbances in the Islands for any reason either internal or external.

It is believed that the Pacific Powers will not object to an independence grant on the ground of existing treaties, but all admitted that unforeseen psychological effects upon the peoples of India, Indo-China and the East Indies are possible if independence in the Philippines becomes a fact instead of the political slogan it has been for many years.

A *United Press* telegram from Washington April 5 stated that, in view of the possibility that some of the Powers with interests in the Pacific might interpret Philippine independence as a potential disturbance of the status quo, officials there had begun studying the seven treaties signed at Washington in 1922 to determine whether the United States has full freedom of action. This action was taken as a result of the House's recent passage of the Hare Independence Bill, providing for a grant of freedom to the islands in eight years without a plebiscite.

Among the Nine Power signatories to the Pacific treaties, Great Britain, France, the Netherlands and Portugal have large colonial interests near the Philippines.

There has already been a tendency on the part of the European press to suggest that Philippine independence might jeopardize such interests, particularly in Java and other points where communist disturbances have occurred in Washington within recent years, and officials indicated they wish to make sure of the exact technical status involved.

U. S. A. Refuses to Place Embargo on Soviet Goods

The Moscow newspapers report that Ogden Mills, U. S. Secretary of the Treasury, in reply to an appeal by certain industrial leaders in the United States has refused to place an embargo on Soviet imports. In this connection the Russian newspapers quote from the New York *Evening Post* which says that the Treasury apparently has decided that there are at present no laws that can be applied against Soviet imports. The same paper says that new laws are needed for this purpose, but that it is doubtful whether the present Congress would adopt such laws.

Loan to Be Floated to Rebuild Chinese Cultural Institutions

The flotation of a loan of $30 millions for the rehabilitation of cutural institutions in Shanghai is under consideration by the Ministry of Education. According to the proposal, the loan will be secured on the British Boxer Indemnity Refund. Bonds will be issued to the respective institutions in proportion to the extent of damages suffered, the institutions undertaking the disposal of the bonds themselves. It is understood that as soon as the scheme meets with the approval of the educational authorities, it will be submitted to the Executive Yuan.

Seventy-two Thousand Koreans Starving

Two Japanese named Sato and Watanabe, at the request of the Social Affairs Section of the Government General of Korea, recently made investigations into living conditions of the famine-stricken people in general in the vicinity of Kongosan, Kogen Province. According to reports received, there are at present some 72,000 confronted with starvation. The wretchedness of their poverty is said to be quite beyond description, and it is reported they are eating tree roots as substitutes for food. It is understood the Korean Government-General has decided to further disburse a sum of Yen 35,000 for relief of the helpless Koreans.

Loyang Emergency Conference Issues Manifesto

After six strenuous sessions extending over a week, in the course of which a total of 106 proposals was discussed relative to national defences, suppression of communist banditry, flood relief, political reforms and guarantee of the people's liberties, the National Emergency Conference which had been convened to devise ways and means of coping with the present crisis in China was formally closed after the adjournment of the sixth regular session on April 12. Tsang Chi-fang was in the chair and a total of 143 members, 19 members of the C. E. C. and a large group of Government and Party officials were present.

In the course of a brief closing speech, Tsang Chi-fang, after reviewing the achievements of the Conference, dwelt upon the gravity of the national crisis. He urged that hereafter the entire nation must, regardless of party affiliations, give their united and whole-hearted support to the Government in coping with the crisis. He also expressed the hope that the Government would endeavor to gain the confidence of the people by carrying out the various resolutions adopted at the Conference, which, he pointed out, represented the minimum demands of the people.

Addressing the Conference on behalf of the Government, Wang Ching-wei, President of the Executive Yuan, declared that he personally shared the belief held by a majority of the members that immediate political reforms, including the creation of a people's representative assembly, were necessary for a successful solution of the crisis. He assured the Conference that he would do everything in his power to get the resolutions of the Conference formally ratified by the C. E. C. so that the Government might carry them into effect with the least possible delay.

President Wang also expressed gratification at the results achieved by the Conference and thanked the members for the spirit of unity and patriotic zeal which they had displayed throughout the deliberations.

In conclusion, he said that hereafter the Government would devote its efforts to the fostering of closer cooperation with the intelligentsia, merchants, peasants and workers in order to lay the foundation for democracy.

Tai Chi-tao, President of the Examination Yuan, also spoke briefly upon the significance of the Conference. Dwelling upon the national crisis, President Tai expressed confidence that the policy of military aggrandizement as pursued by the Japanese militarists, in defiance of world opinion, was doomed to failure.

As a fitting conclusion to the Conference, which was called primarily with the object of coping with the Japanese aggressions, a military review of the troops under General Chen Chi-cheng, Commander of the 3rd Army, was held after the closing ceremonies.

Manifesto Issued

The following are extracts from the manifesto issued by the Conference following its formal adjournment:

"It is the considered opinion of this Conference that while China is not in a position now to wage war against Japan, acceptance of an ignominious peace will none the less bring about her extinction. There is therefore no other way of coping with the present crisis than to mobilize the resources and man-power of the entire nation in carrying on a prolonged resistance.

"Convinced that as a pre-requisisite to such resistance, there must not only be adequate preparations but, above all, a united front in the nation, this Conference earnestly hopes that the entire nation, regardless of party affiliations or class distinctions, will give their whole-hearted and unreserved support to the existing National Government, regardless of whatever justifiable prejudices or grievances they may have against the Government.

In order to ensure prolonged national resistance against the forcible aggressions of Japan, this Conference further holds that the Government must have a consistent and considered foreign policy. One of the cardinal principles of this policy, we believe, is that we should actively ally ourselves with those Powers which uphold right and justice and treat China on a basis of equality.

Internally, it is necessary, in order to successfully resist the Japanese aggressions, to consolidate and improve our National defences.

"While it is to be admitted that democracy can not be attained without a period of transition intervening, it is equally obvious that the people will never be qualified to exercise their governing powers unless they are actually given an opportunity to participate in the government. This Conference therefore deems it necessary that a central organ of People's Representatives should be formed to function at the seat of the Government while District Autonomy should be developed in the various districts so as to lay down the foundations of democracy."

"Finally, it should be realized that the stagnation of China's economic and industrial development is the main cause of the state of disturbance and lawlessness prevailing in the country. The collapse of agriculture and dislocation of various industries have resulted in the prevalent poverty and starvation, bringing in their wake Communism and banditry. The promotion of productive enterprises is thus a task demanding the most urgent attention. Of such enterprises, the conservancy of various waterways and the relief of existing industries must, above all, be carried out without delay."

A dramatic scene occurred just before the adjournment of the meeting when an emergency motion, made by a woman delegate, was passed unanimously calling upon the Government to dismiss General Chang Hsueh-liang immediately from all his substantive and concurrent posts and to take steps to punish him for the loss of Manchuria. The resolution also provided that the units now under General Chang Hsueh-liang's command should be placed under the direct control of the Military Affairs Commission.

National People's Congress

At the fourth general meeting of the Conference a resolution was formlly adopted calling for the creation of a National People's Representatives Congress, which shall be constituted by not less than 300 representatives, elected by and from among the people, and empowered to vote on (a) national budgets and financial statements, (b) national loans, and (c) important treaties with foreign powers. It was also decided that the People's Representatives' Congress shall be officially established by the 10th of October next and that the Organic Law of the National Government shall be amended so that it would be compatible with the above mentioned powers of the People's Representatives' Congress.

American Woman Figures in Bombay Temple Disturbance

According to a recent message from Bombay appearing in the *Chicago Tribune*, Gandhi's latest disciple, Miss Nita Cram Cook, pretty American, came very near causing grave trouble between the British and the natives at Dwarka, Kathiavar. Converted to the Hindu cult and endowed with the name of Mela Naghini Devi, which means Goddess of the Blue Serpent, she went into a Hindu temple to say her prayers. She was dressed as a Hindu, but her pale skin showed. Fearing profanation and desecration, the other worshippers fled, and a grave riot nearly ensued. Their temple defiled by a white's presence, the Hindus were furious, but the priests kept them in hand. Then they closed the temple for 24 hours and held an elaborate ceremony of purification. That cost about $80. Miss Cook will have to pay this.

Italy as a Source of Chinese Arms

A recent telegram from Rome stated that Italian manufacturers of arms and munitions are negotiating with agents of the Chinese government for several big contracts to supply the Chinese army. The Chinese agents, who, however, are not themselves Chinese, have clinched the deal with the munitions manufacturers and are now negotiating with banking interests for financial support. The Bank of Italy, according to one Chinese agent, has agreed to finance the deal to the extent of 50 per cent, on condition that American or other banks take up the other fifty per cent. These banking arrangements are being demanded by the manufacturers as security for Chinese payments.

Flood Relief Funds Wanted for Wu-Han Area

Urgent relief for the thousands of flood refugees now housed in various camps in the Wu-Han Area was sought by the Wu-Han Flood Rehabilitation Committee, in a recent telegram to Chu Ching-lan, Director of Field Operations of the National Flood Relief Commission. According to the message, over ten thousand refugees are now accommodated in the camps specially provided for the infirm, the women and children, while about 200,000 refugees of all ages are scattered in the neighborhood of Wu-Han. Appropriations of wheat have been exhausted and funds are lacking for repatriating the refugees to their homes, it says.

Effects of War Upon China's Shipping Industry

BY PAUL K. WHANG (汪仲芳)

FOR the past few years, China's shipping industry has been hard hit by various circumstances. First it has suffered from foreign competition, then the continuous internecine warfare has frequently disrupted the shipping service and reduced the industry to a crippled state, and lastly the world business depression has also reflected upon the shipping business in Chinese waters. Besides the evil consequences of these circumstances, China's shipping industry has received further setbacks in the Yangtsze flood and Japanese invasion since last summer. The disastrous flood of last year, which inundated the most densely-populated and productive areas covering parts of sixteen provinces of the Chinese Republic, practically strangled commerce and industry in Wuhan cities and other river ports, thereby completely paralyzing the shipping business along the Yangtsze River, the most profitable line to every shipping company. Close on the heels of the flood disaster, came the Japanese invasion in Manchuria in September and the subsequent disturbances in Tientsin and other northern ports, which further deprived Chinese shipping companies of their northern business, when business in Tientsin, Chefoo, Yinkow, and Newchwang was brought to a standstill by the Manchurian embroglio. Although the anti-Japanese movement forced Japanese ships out of Chinese waters, Chinese shipping companies received no substantial benefit by the absence of Japanese competition, when the business condition was everywhere very much affected by the flood and Manchurian events. By the beginning of this year, the shipping business was a little revived with the approaching of Chinese New Year, but its revival was soon arrested by Japan's undeclared war in Shanghai. This war, though its actual fighting was limited to little more than one month, has wrought a greater havoc upon our shipping industry than we can imagine.

The Menace of the Japanese

For one full month and four days, shipping business in Shanghai was completely in an idle state. The frequent bombardment of Woosong Forts and the hostile attitude of of Japanese warships endangered the safety and security of the Shanghai Harbor; and the unnecessary vigilance on the part of Japanese warships caused special concern to Chinese ships, when they were subjected to search in passing Woosung Forts. Under such conditions, Chinese shipping companies had to abandon their efforts in trying to maintain a skeleton service between Shanghai and other ports. On the other hand, with the wholesale suspension of factories and business houses and the stoppage of financial machinery, the movement of cargoes from and to Shanghai was brought to a halt, and therefore the shipping service proved no longer indispensable to the commercial public.

Native Banks Restrict Credit

Since the cessation of hostilities, the condition has not been improved much, even though all the Chinese shipping companies have gradually resumed their regular schedule of sailing. Pending the assurance of a permanent peace, the fear of the breakdown of the peace conference and the renewal of hostilities has caused our business men such anxiety that they think it is still premature to resume their usual business activities. Moreover, the native banks, in order to prevent a panic, have adopted a policy of restricting the extension of credit, and have been continuously observing it without any hope of its early abandonment. In face of this financial stringency, the business houses, though they are now all opened up, can be only conducted on a very limited scale, and the inter-port commerce is therefore very much restricted. This business stagnancy has a pernicious effect upon the local shipping industry, whose income is derived from the freight charges paid by the business men in shipping cargoes to and from this port. Thus in spite of the fact that the war is now over more than one month, there is still little hope of an early revival of the shipping business, while general business conditions are far from being in a sound state. Therefore the cost of the Japanese invasion to the local shipping industry can not be adequately estimated, without taking into consideration the after-effects of the war upon the shipping business.

Enormous Shipping Losses

The report submitted to the Ministry of Communications by the Shanghai Shipping Association reveals that local Chinese shipping companies have suffered a loss of more than $10,000,000 during the fighting between Chinese and Japanese in Shanghai. In an interview with one of the officers of the said association, the writer has been told that so far ships and properties belonging to Chinese shipping companies have not been much damaged by Japanese gunfire and bombing, and that the figure released by them was more or less a rough estimation of the loss of business resulting from the war. Since the loss of business can not be accurately counted in dollars and cents, the figure, it must be admitted, may not disclose the true state of affairs. Suffice it to say that the loss will be far greater, if the future prospects of the shipping business are taken into consideration.

Heavy Losses Sustained by C. M. S. N. Co.

In order to get some idea as to the extent of loss sustained by individual shipping companies, the writer has learned the following facts from the China Merchants' S. N. Co., the largest Chinese-owned shipping concern. During the war from Jan. 28 to March 4, all the ships of the Company totalling 27 in number were tied up in different river and sea ports, and in Shanghai alone, more than ten ships were anchored at the Company's Kinleeyuen Wharf. In February, the Company received only $12,000 in freights, this figure, as compared with the same period of last year being only 5%. The business of the Central and Lower Wharves, both properties of the Company, has also been very much affected, because they are located in Hongkew, a section occupied by the Japanese as a base of operations since the beginning of hostilities on the night of Jan. 28. Moreover, the Company had to pay extra money to keep the staffs working at these Wharves, when the atrocities committed by the Japanese caused great alarm to the Chinese in that section. Taking all in all, the loss to the Company would amount to more than $20,000 daily.

While the Shanghai crisis has dealt a fatal blow to the coastal and river shipping business, it has nevertheless proved a God-send to those small firms which have operated steam launches on the Soochow Creek and other inland waterways. With the disruption of Shanghai-Nanking Railway line, many cities have become inaccessible to Shanghai, and the waterway has been the only means of transportation between Shanghai and Soochow or Wusih. The exodus and influx of refugees before and after the withdrawal of Chinese troops have made the business so lucrative, that passenger fares have been several times increased and more than six new companies have been organized, with the reinstallation into service of these antiquated and obsolete vessels which have long outlived their use. Thus the Soochow Creek has overnight become the busy thoroughfare it was in pre-railway days. In spite of the perilous nature of the water route which has been infested with ubiquitous bandits, the refugees seemingly would rather have their personal belongings robbed by the bandits than have themselves subjected to the atrocities perpetrated by the invaders and victimized by Japanese bombing and gunfire, and therefore the steam launch companies have continuously reaped a good profit out of the present situation. In the meantime, all other steam launch lines between Shanghai and cities in Chekiang have been also doing good business. Pending the resumption of the railway service, which can not yet be entertained in view of the persistence of the Japanese in not withdrawing their troops from Chinese territory, steam launch companies will continue enjoying an enviable position, which in the end will put many of the bankrupted firms once again in a solvent state.

Government Support Needed

It must be noted that China's shipping industry before the Shanghai crisis was already in a bankrupt state, and that the financial loss resulting from the war will further accentuate its financial crisis goes without saying. To all intents and purposes, its future status will depend much upon whether the government will act upon its promise by granting substantial financial support to Chinese shipping companies. In the past, we have been frequently told of the government floating a big loan to finance shipping companies, but this government promise has never been acted upon. In face of the present crisis, this form of government help is especially necessary. It is deeds and not words that will help Chinese ship-owners to extricate themselves from the present difficult position and to rebuild China's shipping industry.

Shanghai, April 30, 1932.

Recent Hostilities and Local Exchanges

BY B. Y. LEE

THE extraordinary reactions caused by the Japanese "undeclared" war in Shanghai have had far-reaching effects in local exchanges. In normal times speculators, both foreign and Chinese, are numerous in local stock exchanges during business hours, especially in times of violent fluctuations in prices. But since the fateful night of January 28, practically all the local exchanges suspended operations, owing to, in the first place, the tightness of the money market, and in the second place, because any unforseen or unexpected rumors or news might cause prices to drop considerably, which, in turn, might put brokers into a troublesome position on account of it being necessary to call on their clients for more margin money. The organized exchanges in Shanghai are: The Shanghai Gold Bar Exchange, the Chinese Cotton Goods Exchange, the China Merchants' Stock and Bond Exchange, and the Shanghai Flour Exchange. Owing to the peculiar position and the international scope of its operations, the Gold Bar Exchange, known as the biggest gambling "hell" in the Orient, suspended its trading immediately after the hostilities only for a few days. It now has resumed operations. The China Merchants' Stock and Bond Exchange and the Chinese Cotton Goods Exchange still remain closed.

The domestic bond market is closely related to the money market and local financial institutions. Since the recent hostilities until now most native banks are still not functioning despite the fact that general business conditions are becoming near normal in Shanghai. Large bond transactions can not be freely carried out without the use of native bank orders—which depends great deal upon public confidence. Gradually the signs are encouraging, in spite of many setbacks. Although the bond market is not officially open, business is being done privately at prices which compare very favorably with those on the market before the hostilities.

The Official Bond Transactions

Prior to the outbreak of the hostilities, the Ministry of Finance ordered the bond market to be closed until further notice. Brokers on the China Merchants' Stock Exchange met April 11 to discuss the question of resuming business, and decided to petition the Ministry for approval of the proposed reopening of the bond market. There is reason to believe, however, that the official attitude remains unchanged—that until the Sino-Japanese negotiations are concluded the bond market will remain closed. Trading on a limited scale was resumed privately between brokers April 12 on the floor of the Exchange. It was the first time since the January settlement that any business was done in the major market for government bonds. Transactions, although negotiated on the premises of the exchange, are all unofficial. There is no auction, and trading is confined to cash business. Until the officials decided otherwise, activities on the exchange will be limited to unofficial cash transactions, trading each morning from 10 to 11.30 a. m. The volume of business done daily so far has been very small, individual transactions amounting in most cases to lots between $5,000 to $10,000 face value. The prices of most issues have showed an advance of from fifty cents to a couple dollars per $100 face value.

Before the reopening of the bond market the public at large thought the prices of all issues would drop considerably; on the contrary, they remain firm, despite many unfavorable factors. Many investors argue that the people as a whole are poorer now than before the undeclared war. The total collection of the government revenues which have been secured on these bonds, have decreased considerably; besides the hostilities may be renewed at any time, and for these reasons the domestic bonds are not good investments. But it should be remembered the prices now prevailing are already too low, and if they are bought at the current prices, the yearly yieldings on money thus invested are from 30 to 50 percent. According to recent reports from customs authorities the total revenues collected in February decreased considerably, but there was a great increase of revenues for March. The Central Government has approved a plan whereby a sum of $8,500,000 is set aside monthly from customs revenues for the payment of domestic bonds, and there is no reason why the bondholders should fear for the safety of their holdings.

In ordinary times Chinese bankers accept on mortgage these bonds at a very low rates of interest, from 9 to 10% per annum, to the extent of 60% of their market prices, but since the Manchurian affair, and subsequently the Shanghai imbroglio, the bankers have refused such loans and in many cases the mortgagees have been forced to sell their holdings at the current market price on account of insufficient margin money. During the past six months the prices of the various issues of domestic bonds have declined almost in a straight line and every holder and buyer is in a bad shape, and more recently the war-like preparations of the Japanese in and around Shanghai have added more alarm in the bond market. Consequently the bond investors are more nervous than before.

Since the outbreak of hostilities in Shanghai last January, the Chinese Cotton Goods Exchange has suspended operations, owing to the tightness of the local market. The suspension of business on this exchange was voluntary, unlike that of the China Merchants' Stock Exchange, which was ordered to suspend trading by the Ministry of Finance. After the suspension the exchange authorities decided that both buyers and sellers in future should settle their transactions in accordance with the prices established by the authorities. The prices were based on the average prices of ten days previous to the outbreak of local hostilities, quoted on the exchange. Both parties, buyers and sellers in future, would not agree to these prices, each claiming that the prices fixed by the exchange authorities are unfair, and hence a lawsuit has been filed in the local court by one party against another. At the end of January futures were quoted from February to July. Now the months of February and March have passed, and those who bought or sold short for these months are still arguing that a higher or lower price should be fixed. It seems very likely that no trading will be resumed on the exchange until after July.

Brokers and Exchanges Both Suffer

Since the suspension of these exchanges, the brokers and the exchanges have both suffered. The daily expenses of these exchanges are from $1,000 to $5,000, and that of the brokers (from 50 to 150 members in each of these exchanges) are from $20 to $100. However, whatever the losses suffered by the brokers, these are gains for the speculators. Many "society" men and women, including many young ladies, often speculate clandestinely and depend upon the telephone entirely in giving orders to the brokers to buy and sell. Thus they may make or lose a fortune without the knowledge of their friends or families. It is this class of speculators who suffer most in the end for they are as a rule losers. During the past six months many speculators in the bond market have been ruined financially.

In spite of heavy losses of fortune and reputation there is an unfailing stream of "opportunity-seekers" flocking into the Gold Bar Exchange located on Kiukiang Road, which is the only organized exchange open for trading at present. Althought the volume of trading at present has been greatly decreased due to the tightness of the money market and the lack of financial resources of many speculators as a result of the war, many professional speculators are still active in this business. Time and energy wasted in these exchanges are parasitic activities, yet persons of a speculative turn of mind are hard to drive away from these speculative institutions and always try to earn something in the nature of a "professional" income despite the fact that the country is facing foreign invasion

Shanghai, April 15, 1932.

American Professor Speaks on Control of Public Opinion

Dr. Harold Rugg, of Teachers' College, Columbia University, in the course of a lecture delivered last week at the Chinese Y. M. C. A., in Boulevard de Montigny, Shanghai, on "Public Opinion—How Created and How Controlled," expressed doubts as to whether world communications, controlled, as they are, by selfish commercialized groups, can effectually diffuse and guarantee the conveyance of accurate reports. He said that he who controlled communications controlled the mind of the world, and that there was no problem greater today than the creation of attitudes and opinions; from childhood a person was subjected to the opinions of society around him, and a society mind was two or more persons interacting. Dr. Rugg referred to the great English philosopher Whitehead, who called this invisible, emotional mental atmosphere of interacting ideas the "climate of opinion," because this mental atmosphere varied according to location, type of people and other factors.

China's Victory in Defeat

(From the Literary Digest)

It's a strategic victory for China.

So declare neutral military observers at Shanghai as the Chinese Army retreats many miles westward, in good order, after fighting Japan to a standstill for a month.

China not only has taught Japan a lesson, many American editors point out, but she has taught herself one—she now knows that she can fight. With a population of 400,000,000, what could she not accomplish if organized? they ask. Out of the Shanghai episode may come world-shaking developments.

A great change in Chinese psychology is noted in the statement of the spokesman for the Nineteenth Route Army, made even while it was in retreat:

"The fighting around Shanghai shows that the 'terrible fighting ability' of the Japanese Army and Navy is now nothing but an exploded myth."

General Tsai Ting-kai, the Chinese commander, withdrew from Shanghai, we read, when the landing of a large Japanese force at Liuho made his position untenable.

"The Nineteenth Route Army's defense cracked under the strain of two newly arrived divisions of Japanese reinforcements, which brought the total Japanese forces to approximately 50,000 men," writes Victor Keen, correspondent of the *New York Herald Tribune*. He points out that the Chinese troops stood their ground for thirty-four days, "resisting with an effectiveness which surprized the world," and then sketches the episode:

"According to all the neutral military observers with whom the correspondent has talked, the Nineteenth Route Army's stand of the last month against the Japanese attacking forces has constituted a strategic victory.

"Altho it was superior in numbers, the Nineteenth faced terrific bombardments by superior artillery, not to mention aerial bombing, against whcih the Chinese were unprepared, having no effective anti-circraft guns.

"The Japanese naval command attacked first on the night of January 28 with 1,800 bluejackets. This number later was reinforced to a total of 6,000, but still failed to accomplish the objectives. The Ninth Division of the Army was then brought from Japan, and still there were no concrete results.

"It was only by the addition of two more divisions that the Chinese eventually were forced to retreat, which they did secretly and smoothly, apparently taking the Japanese by surprize."

It was so much of a surprize, according to the correspondents, that the Japanese guns continued to bombard the Chapei section of Shanghai for hours after the Chinese had evacuated it.

"We think Japan will profit from the setback at Shanghai," says the *New York Daily News*—

"At Chapei, Woosung, Kiangwan, Japan's comb has been cut, a thing that Japan needed if her national health was to continue good. And the comb was cut by the Chinese, whom the Japanese had come to despise.

"Japan, being a nation of people who are eminently able to think and reflect, will learn several valuable lessons from this incident. And the lessons haven't cost Japan any huge amounts of blood or money.

"From the ruined buildings of Chapei and the trenches around Kiangwan, China emerges as a nation which is about finished with being a moron, a defective child among nations. Finally realizing that help could come only from themselves, the Chinese suddenly stood up on their hind feet and, to the world's amazement, stop the invader.

"China, as a result of this tremendous moral victory, should become a nation capable of holding up its own end, to the great benefit of China and, we believe, of everybody else."

Japan is not so cocky as she was; she now seems ready to listen to peace talk, some editors point out.

According to the analysis of the *New York Herald Tribune*, "the ultimate credit for the altered Japanese attitude toward peace by negotiation" goes to General Tsai and his army—

"It was by holding the ever-increasing Japanese forces in the vicinity of the International Settlement that they forced the Japanese military to reveal to the world their total indifference to the rights of others, and to inspire in the Japanese people a serious doubt that military measures were worth what they cost.

"If Chinese resistance had collapsed at the outset, China's cause, supported by nothing but the pestiferous boycott and a poor administrative record in Manchuria, would have elicited no substantial Occidental support.

"General Tsai's brilliant defense gave the Japanese military a chance to display tendencies which have cost Japan infinite credit, and which have also given world opinion time to manifest itself unmistakably in support of both Secretary Stimson's declaration of American policy and of the League's authority."

Has Hé Uncorked Something?

—Fitzpatrick in the St. Louis "Post-Dispatch."

China, a sleeping giant, is about to awake, in the opinion of the *St. Louis Post Dispatch*:

"The Japanese are doing only what the militarists of other empires have done when they climbed into the saddle, and their operation seems to us to differ from those usual to history only in its peculiar peril to Japan.

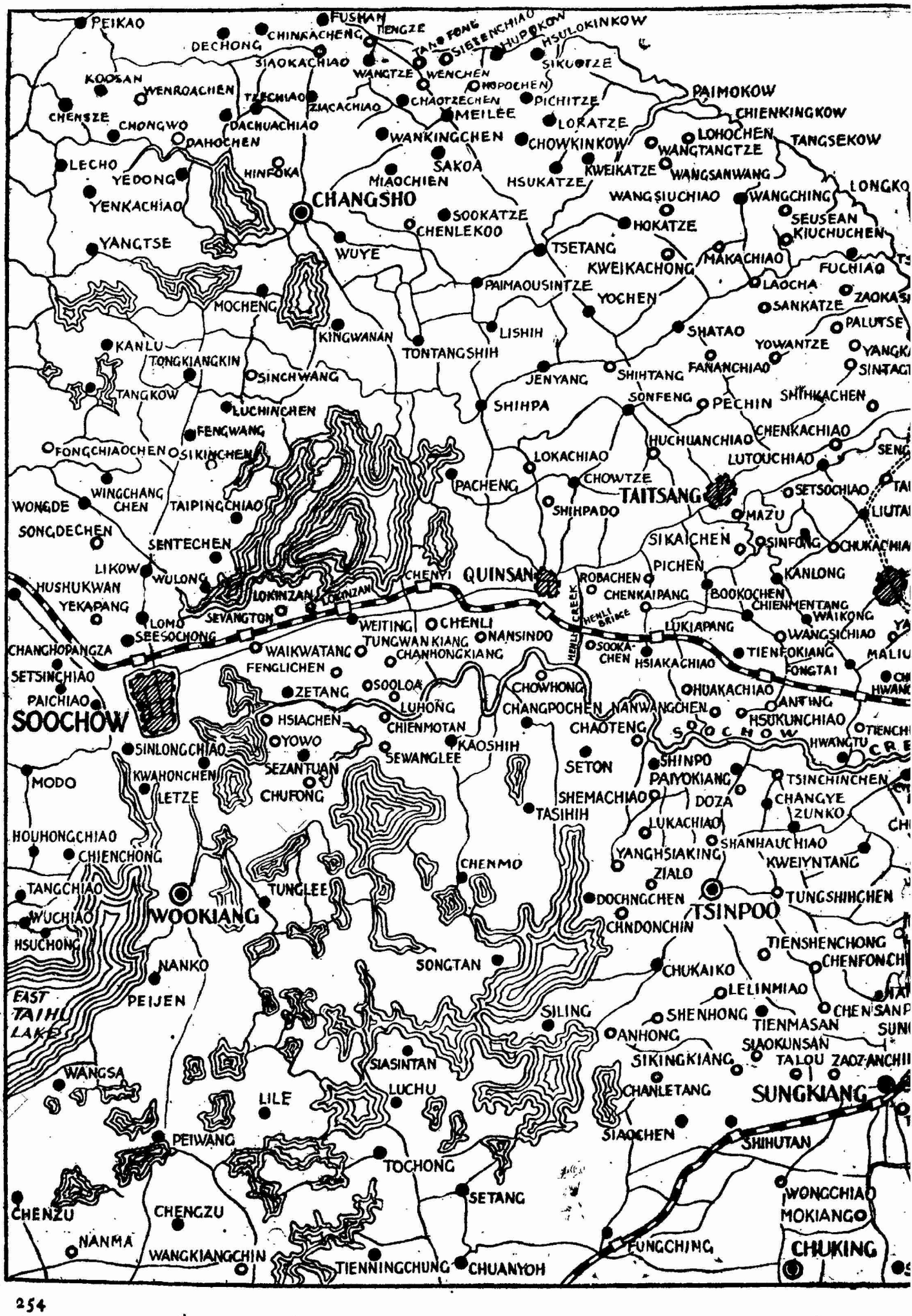
"She is making war upon the most inert of all national masses, as well as the greatest. It is possible that she may be the means of awakening China and giving to her what China could not achieve for herself—that is, political solidarity. There are signs in the news that this process is already under way.

"Napoleon said that when China wakes up she will move the world, and unless we are mistaken this is what is about to happen. Divided as the Chinese are, and arrayed against one another in contentious political blocs by their rival war-lords, it is still true that they have a common enemy in Japan.

"In our judgment, the Japanese had better take time out to think this over.

"Theirs is a much greater military power than China. They have a better-equipped, better-gunned and better-officered Army. Yet it is not certain that even the Japanese Army could ultimately conquer China.

"There are 400,000,000 Chinese. They have been imposed upon by the rest of the world until their resentment has given them strength. It is conceivable that the impositions upon the old China have been the making of the new."


PEIKAO
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PICHEN
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FUNGCHING
CHUKING
WANGKIANGCHIN
TIENNINGCHUNG
CHUANYOH

STS WOULD LIKE TO CARVE OUT NEW INDEPENDENT-CITY-STATE

—The China Weekly Review, Shanghai April 29, 1950. 255

60-289

Consequences of the Economic Blockade of Japan---a Forecast

BY A. A. R.

SINCE the close of the Shanghai incident and the cessation of Japanese warlike activities on a major scale in Manchuria the prospects of enforcing the economic sanctions of the League of Nations' Covenant against Japan have become remote, yet the question has a vital interest in that these sanctions may still be put in force if Japan disregards any future decision of the Council of the League of Nations. As the position is, Japan has refused to join in a recent resolution of the Council that the Manchurian Incident is amenable to Article 15 of the Covenant, and is sticking to her original contention that the Incident should be decided by parleys between Japan and China, without the interference of any third party. The Japanese official and financial circles have studied the possibilities of the economic blockade and seemingly arrived at a certain decision as to what should be done if the said article is enforced despite her objections. The Japanese press is also paying much attention to the question, and in this respect a mention must be made of an article written recently by G. Yokoyama in the *Osaka Mainichi*, who states that Japan should not be afraid of the economic blockade, because by a well planned control of production and distribution, and also by a skillful exploitation of Chinese resources Japan can be made self sustaining, and that the harm done by the blockade will be much greater to the Powers themselves.

We realize the impudence of making forecasts on such a remote possibility as the economic blockade under discussion, but we are of opinion that, knowing present economic conditions of Japan and her relations with China, Soviet Russia and other countries, it is possible to visualize what should happen, if the members of the League of Nations come to the decision to blockade Japan economically and begin to put it into effect. As we have stated, one of Japanese writers is somewhat of the optimistic trend of mind. We happen to be of the opposite opinion, to which we have come through a study of the economic and other conditions of Japan of our days.

The Necessity for Unanimity

Before proceeding any further let us suppose that there was no dissension among the members of the League of Nations in enforcing the sanctions of Article 16 of the Covenant and, furthermore, the United States joined in this decision—firstly—because the United States is not a party to the Covenant and—secondly—the United States holds 41.5 per cent. of Japan's foreign trade. A stress must be made on the unanimous adoption of this important decision and also on the necessity of enforcing it by all countries in concert, without a single dissenting one. If there should be a country or a group of countries which would not join in the resolution or discontinue participating in the enforcement half way, it would mean the break-down of the whole enterprise and Japan emerging victorious.

The provisions of Article 16 can be applied only in case there exists a state of war between the two members of the League as a sequence of the failure of all peaceful efforts. Such a position now exists between Japan and China, although somewhat smouldered down because of the truce on the Shanghai front and also the absence of warlike activities in Manchuria. If however, the war situation is resumed, irrespective at Shanghai or any other place, and if the League decides on the economic blockade of Japan, it would mean the resumption of Japanese warlike activities on a scale resembling actual war, although for the sake of diplomacy they might refrain from declaring war formally. The severance of diplomatic and economic relations between Japan and Powers would bring first of all the mobilization of the Japanese Army and Navy to the wartime footing and the commencement by them of switching their industry on the preparation of war materials. That such will be the case is seen from the fact that the War Office maintains the so-called Resources Bureau, the principal task of which comes to the mobilization of industry. Some two years ago they conducted a trial mobilization of industry in the Osaka and Kobe district, during which every workshop, mill or factory was turned into a small arsenal, manufacturing its own line of war implements. All transportation facilities, as buses, trucks, private cars, were all commandeered for ten days and put at the disposal of the Resources Bureau. So, in case of the threatening rupture of diplomatic relations with other nations Japan will begin mobilizing her industry, putting it under the direction of the War Office authorities. Also it is most probable that the country will fall under a virtual military dictatorship, for such a critical situation requires a unified leadership.

The Flight from the Yen

The first sign that the relations between Japan and other members of the League of Nations are to end in the rupture will be the flight of capital out of Japan, for there is a well-known economic maxim that capital seeks a safe place. Not only foreign capital, invested in Japan on short term basis, but also the capital of big yen daimios will be exported out of the country, which will inevitably result in the disastrous fall of the yen exchange, probably to the lowest level ever recorded. Indisputable though seems the argument, there are persons who think that the Japanese, being great patriots, will never commit so treacherous an act as converting the yen funds into foreign currencies or securities, but in our opinion this argument is weak in that it does not take into account the recent conduct of the richest Japanese families, the Mitsuis, the Iwazaki, the Sumitomo and the Yasuda, when they deliberately lowered the yen exchange by buying gold dollars and brought into being the present Ministry together with the renunciation of the gold standard. Thus, when it comes to money matters, patriotism can be conveniently put aside and left in oblivion—the flight of the yen to foreign currencies will be started by big moneyed interests. Only after that will the Government come out with the regulations restricting the exchange operations, but it is doubtful whether such regulations will be of any material help to the yen.

Side by side with the disastrous fall of the yen value accompanied with the inflation of currency will come the general dislocation of the entire economic system of Japan. G. Yokoyama argues that no such phenomenon will happen and we fail to understand why he answers in the negative to his own question—"And now what about the military funds? Will the accommodation of the funds cause the depreciation of bonds, resulting in the random issuance of paper money, bringing about the deplorable state of inflation?"—and replies "Nonsense! Under perfect economic control by the State, no currency nor bonds should be required." In our opinion, the inflation of the currency and the fall of bonds and all sorts of securities is almost inevitable, for even now, in perfect peace, when Japan maintains normal economic relations with the outside world, the currency is inflated by the issuance of more paper money and the Treasury bonds; that is, the Government is doing just the thing which will—according to G. Yokoyama—stop under the economic blockade. We maintain that, when Japan is boycotted by all the members of the League of Nations and she is left "to boil up" together with Manchuria in her new circumstances, the inflation of the currency will be hastened, resulting in the depreciation of the yen almost to disastrous limits, as did the franc, the mark and the rouble during and after the Great War, when the economic life of the countries involved was dislodged out of the normal course.

A Short Cut to Socialism?

Perhaps the most interesting point in G. Yokoyama's argument is the last part of the quoted sentence, namely: "Under perfect economic control by the State, no currency nor bonds should be required." We fail to understand how life is possible without some sort of medium of exchange, some sort of a common measure of values, which is—after all—the function of money. What will be a substitute for money and bonds in Japan under the economic blockade? It is regrettable indeed that the quoted author did not expand his idea. If developed further this reasoning can lead to the obviously absurd sequence that the Japanese socialists should earnestly desire for such an economic blockade inasmuch as it would open a short cut road to socialism.

As stated in one of the preceding paragraphs, in case of an economic blockade Japan will fall politically into a virtual dictatorship, led by the exponents of the Army and Navy, as the case has been with all nations under emergency conditions. And the first measure of the Government will be the control over the economic activities of the country, production and distribution of commodities, particularly. In practice it will result in the rationing of everything, as food, clothing, and other requirements of every day, or—in other words—Japan will repeat the example of Soviet Russia, which country has never stopped the rationing of everyday necessities ever since 1915. And it is a well-known fact that the standard of living in Russia cannot be called high, so that Japan will head straight forward to the fall of living standards, or—in other words—to the poverty of all, except a certain class of profiteers, which has always existed in all national crises, and of which Japan is in no way an exception (rascals are in plenty in Japan, too).

Chinese Ports Are to be Occupied

The economic blockade means the stoppage of export into and import from the boycotted country, and in that case Japan's foreign trade will come to naught, for there will be no country dealing with her. The best customer of Japan—China—will most probably be at a virtual war with her, so there can be no speaking of normal trade relations between Japan and China. This is realized by G. Yokoyama who says that "Japan must have access to the rich supply of produce in Fukien Province and the north of China." It means that it is the Japanese intention to occupy, as soon as the boycott is declared, Fukien Province and North China by their forces so as to derive commodities required for the upkeep of the population at home, for—as stated above—the supply from other nations will be cut off through the stoppage of any trade with Japan.

The contention that Manchuria constitutes a "life line" of Japan is quite correct, for Japan cannot exist even for a month without supplies from that country. As an economic entity Japan is a poor one indeed, for her foreign trade shows as a rule an adverse balance year in and year out—there was only one exception and that in the years of the Great War. This statement can be illustrated by the following table, derived from Japanese economic publications (in million yen):—

	Import	Export	Adverse Balance
1925	2,734	2,377	356
1926	2,563	2,118	444
1927	2,358	2,065	293
1928	2,372	2,037	334
1929	2,388	2,217	170
1930	1,680	1,680	162
1931	1,319	1,179	140

For balancing her foreign trade Japan depends upon the so-called invisible foreign trade represented by earnings of her merchant marine, proceeds from capital investment abroad (mostly in China) and tourist trade. It will be seen that under the economic blockade this item of her national finance will come to naught, so the disruption of her economic life, emphasized above, is almost certain. Under the boycott, her extensive shipping will be tied up, for when there is no foreign trade there cannot exist the ocean transportation by Japanese vessels. Her foreign investment will cease to bring usual profits inasmuch as no transfer of capital to Japan will be allowed by the Governments, members of the League of Nations. As regards investment in China this can well be named as a dead one, because with the occupation by the Japanese Army and Navy of Fukien Province and Chinese ports along the sea cost and the Yangtzekiang, the Chinese will most likely be at a war with Japan by regular war operations and guerilla warfare. Under such conditions no returns from the invested capital can be expected, nor returns from the tourist trade, for it is presumed that foreign countries will deny their citizens passages to Japan on sightseeing tours.

Being left alone Japan will have no other way than to tighten her grip upon Manchuria, which she will do by sending a very strong army into that country. Manchurian resources, as iron, coal, and crops will be put at the disposal of the military authorities. It is hard to predict as to how they will carry out the supplying of their country by Manchurian products, but in view of the depreciation of their currency and the general disruption of economic activities it is most likely the Japanese will resort to the simple and pure commandeering of those products, as it was resorted to by the Soviet Russian authorities in the early years of the civil war in Russia (from 1918 to 1922).

No. 77.

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GASOLINE

60-291

G. Yokoyama realizes that one of vulnerable points of Japan is the problem of food supply, inasmuch as the rice crops, upon which the entire populace depends is inadequate, and therefore Japan will have to adopt some drastic measures to secure the constant supply of this staple. Much hope he pins on the supplies from Taiwan and Korea and also on the importation of Manchurian soya beans, which if mixed up with wheat can serve as a substitute for rice. Referring to stocks of raw cotton and wool, hold by the Japanese and required for the manufacture of clothing, G. Yokoyama maintains that these stocks are sufficient to last for more than a year, because she will have her textile exports cut off entirely. The housing problem, particularly that part of it which is connected with the supply of timber, is considered to be easy to solve by shipments of timber from the Japanese part of Sakhalien and also from Manchuria.

It is hard to predict what will be the result of shutting Japan out of international trade, but taking into consideration two mainstays of her exports—raw silk and cotton textiles—it would be well to presume that foreign countries, namely, the United States, Great Britain and France will not suffer as greatly as Japan; on the contrary, these countries will quickly fill up the gap created in the international trade by the absence of Japan. The importation of raw silk into the United States is already at the lowest possible ebb and this commodity can be well substituted by artificial silk; as regards the raw cotton exports from the United States, the hardest problem to solve, this will probably find an outlet in European and South American countries, inasmuch as Japan and China will be practically closed for the export of this article. The greatest part of gain perhaps will fall on the British industry, which stimulated by the absence of Japanese competition will regain the lost ground in Indian, Chinese and South Seas markets. Just the same refers to the gain by British, American, German, etc. shipping, which will be a matter of course because of the forced tying up of Japanese maritime shipping.

The Soviets Would Give the Final Blow

The weakest point of the reasoning of the named author is the presumption that the Chinese will remain quiet even in the face of the occupation of North China, Manchuria and Fukien Province by Japanese forces. Judging by present anti-Japanese sentiment prevailing among the Chinese of all classes it would appear that the Chinese will resort to guerilla warfare, directing their efforts to the disruption of means of communication in the occupied areas. Japan will emerge victorious out of the situation only when she will have no resistance from the Chinese, when this nation bows as a vassal of Japan as Indians are to Great Britain. If China decides on armed resistance and if she will have a good leadership, which we presume for the sake of argument, then she will direct her blows on Manchuria by means of a guerilla warfare there, aimed at cutting off the supply of life necessities so needed by Japan and without which she cannot subsist even for a month. In retaliation to these activities the Japanese will institute a reign of terror in Manchuria putting to death and torture everyone complicated in guerilla warfare against them.

We have tried to visualize what would happen if the provisions of Article 16 of the League of Nations' Covenant are put in force as has been advocated by China ever since the occupation of Manchuria by the Japanese Army. As is seen, the situation will be fraught with great dangers and might eventually develop into an open war between Japan and other members of the League of Nations. How long this war will last and what will be the result thereof is another question, but it would appear that Japan will be defeated in the long run and reduced to the rank of a third class Power. And the final blow to her will probably be given not by the combined navies of European and American countries, but by the standing Red Army of Soviet Russia, which will march into Manchuria and North China to plant a Soviet regime in those parts as that is the ultimate aim of the Soviet Government as the instrument of the Third Internationale. This seems to be only one logical conclusion of the events to follow the declaration of the economic blockade and subsequent war between Japan and the rest of the world.

What the Result Will Be

Thus our reasoning leads to the following deductions:

(1) As soon as Japan is boycotted by the members of the League of Nations the country will fall under a military dictatorship;

(2) The wealthy Japanese will start converting the yen funds into other, preferably gold currencies, thus instituting the flight of capital out of the country, probably weeks ahead of the blockade, and which will result in the disastrous fall of the yen exchange;

(3) The Government will institute the control of production and distribution, which in practice will come to the rationing of the life necessities with a general poverty and hardship to all, except a small group of profiteers and moneyed plutocrats;

(4) The Japanese Army and Navy will be mobilized to the war time footing and they will have to strengthen their grip upon Manchuria. The sea cost ports of China and probably the ports along the Yangtzekiang will be occupied, too;

(5) The occupation of Chinese ports will lead to open warfare between Japan and China, resulting in virtual chaos in the occupied areas;

(6) To the guerilla warfare the Japanese will have to retaliate by instituting a reign of terror in the occupied areas;

(7) Because of the public indignation against Japan the members of the League of Nations will have to declare war on Japan, joined in by the United States;

(8) Soviet Russia will abstain from the war at the first moment, but upon marking the right time will deal a deadly blow at the right place, which will mean the death of Japan as a great Power.

Mukden, April 4, 1932.

Dr. Nitobe Sails for America After "Painful" Incident

Dr. Itazo Nitobe, (who recently came into the limelight because of physical attacks made on him by a mob of Japanese militarist sympathizers) accompanied by his wife, sailed from Yokohama on a Japanese steamer April 14, bound for the United States, where it is announced he will endeavor to promote friendly relations between Japan and the United States. According to a *Rengo* message he is expected to make a round of visits to different places in that country for the purpose of exchanging opinion with politicians and other prominent Americans.

Dr. Nitobe, who is 70 years of age, is one of Japan's most prominent publicists. He had, according to the *Japan Chronicle*, "spent a long literary career as apologist for Japanese militarism," but he fell foul of the Japanese military party a few weeks ago by stating that the Japanese military cliques "would prove detrimental to the state if they became like the Chinese military cliques." This savored so much of a reflection on the militarists that, despite the fact that Dr. Nitobe was in hospital with an attack of sciatica, five retired military officers in uniform entered the hospital and forcibly dragged him away because he had not in their opinion made sufficient apology for having made a statement like that quoted above. They took him to a meeting where some ex-service men were holding a conference and publicly made him explain his remarks, reports differing as to whether he actually made an apology or not. The Japanese papers entirely omitted to refer to the incident, a fact which in the opinion of the *Japan Chronicle*, is very strange. Dr. Nitobe has a number of degrees from Johns Hopkins University and also from German Universities.

The Attitude of American Jews

The *American Hebrew and Jewish Tribune*, founded in 1879 and widely circulated among American Jews, contains an interesting article in the March issue about Japanese military activities at Shanghai and in Manchuria. The article was written by Dr. David A. Brown, publisher of the magazine under the heading, "Behind the Japanese Screen." Space is too limited for an extended summary of the article, but the following sentences from the concluding paragraph of Dr. Brown's article sums up his impressions regarding the Japanese military adventure: "Manchuria is now completely under the domination of Japan. Can she maintain it? My answer is: *No!* Not if the world powers can force her to relinquish her hold—or better still, China so organize herself as to reclaim that section of the country, and if these fail, then it can and will be done through economic necessity. Japan has lost face in the eyes of the world. She can only redeem herself by withdrawing from Manchuria and all parts of China, and by making proper amends. Japan will be compelled to humiliate herself, literally get down on her bended knees and ask for the world's forgiveness. Forgiveness for her selfishness, for attacking a helpless people, for being barbarously cruel to innocent men, women and children."

Japan's Hold on Manchuria's Communication Services

A recent message from Tokyo stated that with the establishment of the New State of Manchukuo, efforts are being made by the Department of Communications for the speedy realisation of the three plans for the long distance telephone services between Manchukuo, Korea and Japan Proper. One of those plans is expected to be realised by the middle part of next August or September at the latest. They are:

1. To utilize the submarine cable between Shimonoseki and Fuzan. An expenditure of 100,000 yen has been estimated for this plan and it is expected to be completed first.

1. To establish a new submarine cable between Tsushima Island and Fuzan at an estimated cost of 700,-000 yen. This plan will be realized in February next year.

2. To utilise the short-wave wireless between the Mukden Central Wireless Station and the Kemikawa and Iwatsuki Stations.

China Says Manchukuo Wireless Contract Not Legal

A recent Nanking message stated with reference to the signing of a new contract by the Radio Corporation of America with the Manchukuo government at Changchun for the resumption of wireless communications between Mukden and the United States, that General Chen Min-hsu, minister of communications, had declared that as the three Manchurian provinces are parts of China, the formation of the new Manchukuo with Japanese support is illegal and against the stipulations of the 9-Power Treaty. Consequently, the action of the American Radio Corporation cannot be considered as legitimate and it will, therefore, not be recognized by the national government of China. The Manchukuo government, it is to be noted, has placed the central wireless station at Mukden under Japanese control with a view to establishing a net of wireless stations between Manchuria and Japan while American technical experts are employed to lend color to the upkeep of the "open door" policy.

Second Five-Year Plan in Eastern Siberia

At a regional conference of Soviet scientific workers held at Irkutsk last week a report on the second Five Year Plan for Eastern Siberia was made by M. Lavrov, chairman of the Regional Planning Commission. According to the plan, efforts will be mainly devoted to the development of electric energy and coal mining. It is proposed to construct in Eastern Siberia two great power plants, one on the Angara River, near Irkutsk, and the other at Krasnoyarsk. Two large electric stations will also be built in Cheremhovo and Krasnoyarsk. The Cheremhovo coal basin will produce 500,000 tons of liquid fuel. and coal production will be raised to 11,000,000 tons. New shops are to be built for the production of mining machinery, tin, lead and arsenic; also several chemical factories for the full utilization of coal and timber.

Congress of Trade Unions of Soviet Far East

More than 300 delegates participated in the Congress of Trade Unions of the Soviet Far Eastern region held at Habarovsk last week. The chairman of the Congress as well as numerous speakers called the attention of the delegates to the necessity for fulfilling all the economic and cultural plans adopted for the Soviet Far East in the Five Year Plan. It was stressed that these must be finally completed in the current year, and more especially in the gold and coal mining industries and in timber works and fisheries.

Kellogg Anti-War Pact Figures in Proposed Senate Resolution

Senator Arthur Capper of Kansas, well known publisher, introduced a Senate Resolution in Washington April 6 designed to extend the Kellogg Anti-War Pact to prevent the United States from recognizing any treaties arrived at by means contrary to the pact. Japanese activities against China, with establishment of the new Manchuria state of Manchukuo and rumors of a possible treaty as a result of the Shanghai episode, were understood to be behind the move, which accorded with State Secretary Henry L. Stimson's recently expressed attitude toward Japan.

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Japan's Plans for Developing Manchuria

How to develop the economic resources of Manchuria and promote Japan's economic interests at the same time are questions uppermost in the minds of many Japanese leaders. In order to discuss these matters, Government authorities and financial leaders conferred recently at Tokyo. The promoters include Baron Sakatani, Drs. Yamazaki, Nakamura, Sano, Shida, Shiosawa and Morimoto, General Ishimitsu and General Oi, Mr. Akaike and Mr. Horiguchi.

The promoters think that although Japan's economic interests in Manchuria are assured by the establishment of the new Manchurian State, there remain many problems. For instance, nothing definite is yet decided as to how to promote the economic development of Manchuria, how to bring Manchurian economies and Japanese into unity, how to reorganise the various Japanese organs interested in the economic development of Manchuria, and how to ensure the export of Japanese capital into Manchuria for the exploitation of economic resources in that country. Notwithstanding the urgent necessity of these problems, the Government has not yet indicated any fundamental policy.

New Route to Manchuria

The Japanese Railway Department is contemplating inaugurating a new steamship service between Tsuruga and Seishin, Korea, to facilitate traffic connection between Japan and Manchuria. In the event of this service being opened, there will be a considerable saving of time in the transport of goods between the two countries. At present, the Dairen route is generally taken for the conveyance of goods. By this route, the distance between Osaka and Kirin is 2,323 kilometers, the time taken being 81 hours, 30 minutes. By the Tsuruga-Seishin route under contemplation, the distance is reduced to 1,688 kilometres and the time to 60 hours.

Nationals' Finger Prints to be Taken

The Manchukuo authorities have decided to compile finger prints of all of the subjects to replace the old system of registering nationals by name, which has been in practice in the four provinces of Manchuria and Jehol. In order to avoid misunderstanding, Governor Tsang Shih-i himself will have his prints taken and then Government officials' records will be made, gradually extending the practice to common citizens who are to be registered. Mr. Yoshishige Isoya, Japanese finger-print expert at the Fushun coal mines of the S.M.R., has been requested by the Manchukuo to make arrangements for the enforcement of finger-print-taking throughout the Manchukuo jurisdiction, it is reported. A large part of the apparatus required has already been ordered from Tokyo and is expected to arrive by the end of this month. A month's time will be required to complete the records of the finger-prints of the new nation, it is estimated.

Manchurian Emigration Plans

A steady increase in the number of Japanese emigrants to Manchuria is reported by the *Japan Chronicle*. Recognizing the necessity of providing an organ for the control and guidance of these emigrants, the Department of Overseas Affairs and the Department of Agriculture and Forestry have for some time been in consultation. The authorities of these Departments have also discussed the matter with Japanese university professors as well as the leaders of the Oriental Development Company, the South Manchuria Railway Company and private emigration companies. As a result, it is said, a concrete program for colonization has been drawn up. Under this program, a new Bureau for the transaction of matters relating to emigration to Manchuria and Mongolia is to be created in the Japanese Department of Overseas Affairs, and 10,000 Japanese families, comprising about 500,000 people, are to be settled during the next ten years. Taking possible raids by bandits and other circumstance into due consideration, it is proposed that emigrants should be settled in units of 360 families. The Government subsidy will be given at the rate of Yen 2,000 per family of five members on the average. Part of the program will be laid before the forthcoming extraordinary session of the Diet.

A dispatch from Mukden says that the headquarters of the Kwantung Garrison are acting in close cooperation with the South Manchuria Railway Company and the Japanese Consulate-General for the promotion of the emigration of Japanese and Koreans to Manchuria. They have decided to establish a special department for the transaction of the business by securing the services of officials of the Foreign Office and the Department of Overseas Affairs. The new department will be divided into the five sections of general affairs, accountancy, investigation, occupation and management. Acting in conjunction with the Kwantung Government, the South Manchuria Railway Company, the Oriental Development Company and other institutions, the department will undertake, either directly or indirectly, inquiries into farm land and other businesses relating to colonization.

Subsidies for Emigration Companies

The business of private emigration companies interested in the settlement of emigrants to South America and other countries has been far from prosperous, and the Department of Overseas Affairs has for some time been earnestly studying plans to encourage it. With the establishment of the new Manchuria State, the necessity of encouraging emigrants has increased, and the Department proposes to subsidize such companies with this end in view. The Bill in this connection will be introduced in the next ordinary session of the Diet after due consultation with the Finance Department. The outstanding feature of the Bill will be for the Government to guarantee an eight per cent. profit per annum for such emigration and colonization companies as are deemed by the Department of Overseas Affairs as deserving encouragement and as are amenable to the control of the Department. This privilege will be accorded for ten years after establishment. The Bill will be applied to companies already in existence as well, provided they have not been in being for ten years yet. At present the annual expenditure under this head is estimated at some Yen 300,000, but the figure is bound to increase in the future.

According to the *Asahi*, the Education Department is alive to the necessity of sending religionists to Manchuria and Mongolia together with ordinary emigrants. The experience with emigrants to Formosa has suggested the idea to the Department. It is said that it is usual with Japanese emigrants to Formosa to send the remains of their relatives home to be buried, instead of making graveyards in Formosa. In order to settle Japanese in Manchuria and Mongolia permanently, emigrants must be encouraged to live and die there, ready to bury their bones in the land of settlement. Hence the proposed sending of Buddhist priests and other religionists to Manchuria. On this and other matters relating to the education of intending emigrants, joint conferences between the Departments of Education, Overseas Affairs Foreign Affairs and War are being held.

The New Manchuria Children to be Trained in Ways of Patriotism

Plant patriotism into the mind of children first in order to ensure the solidarity of the new state; the best way to do it is to have children cooperate in close contact among themselves irrespective of race in mass maneuvring. With this in view the Manchuria authorities will hold elaborate athletic meetings in Mukden at the end of April or early in May, in which Japanese and Manchukuo school children will be made to participate. According to the plan which is being prepared, school children of both races will be gatherd from twenty-eight places along the S. M. R. line to compete in sports contests.

Unprecedented Wave of Piracy in Taihu Lake District

Treasure and cash totalling over $550,000, personal jewellery valued at $50,000 and much merchandise have been stolen by Taihu Lake pirates in an unprecedented wave of piracy which has swept over Soochow Creek and other nearby waterways but a few miles from the International Settlement of Shanghai during the past six weeks, according to a recent government investigation. In addition to the loot taken, a score or more of Chinese adults and children have been kidnapped for ransom by the marauders. All governmental authority along these busy marine thoroughfares leading to Wusieh and the other populous communities of the great Lake district has broken down completely, it is maintained, while the only protection existing is what each man can arrange for himself.

Conditions are described as being the worst that have ever prevailed on Soochow Creek in the memory of local officials, due to some extent, to the fact that travellers find it difficult now to hire trustworthy guards who have not been corrupted by the pirates to facilitate their raids. The result is that the transport of valuables and merchandise to and from the Taihu Lake district practically is paralysed at the present time, with the merchants vainly seeking some solution to the problem. Although willing to pay a tax to the bandits in return for freedom from molestation, the merchants now declare that even this system has proven fruitless, as the marauders will not stand by their word.

How Many Japanese Troops in Manchuria?

BY E. U. BARUNG

Harbin, April 6, 1932.

ACCORDING to the reports published in the local press in the middle of last month the Japanese army operating in Manchuria consisted of four divisions, viz: the 1st, 2nd, 8th, and 12th. By the reforms that took place recently in the Japanese army the number of foot soldiers in every division was reported to have been reduced to 3,000, every division comprising 50 cannons of various calibers, and 120 machine-rifles, and having attached to it auxiliary forces, including two squadrons of cavalry troops, bodies of motor-cyclists, armored cars, tanks, and a baggage-train of motor vehicles. The total number of soldiers in a division reaches 12,000. Thus, the Japanese forces operating in Manchuria in March last could be estimated, according to the reports, at 50,000. During the last half of March the Japanese troops were reported to be both coming in and going away from Manchuria, so the exact number Japanese troops now engaged in the war activities in Manchuria is a thing to be surmised; there are reasons that the number is not smaller than the one mentioned above.

Chinese Troops Continue Struggle Against the Japanese in Manchuria

In spite of the large number of troops assisted by numerous airplanes and in spite of the fact that the Japanese by their sudden attack upon Mukden stripped the country of her means of defence, seizing the arsenal and the aerodrome with all the airplanes, they have found it more difficult than perhaps their military authorities originally thought, to fight the Chinese Manchurian army, which by adopting guerilla methods and taking supplies of war munitions and provisions from its bases to the mountains and woodlands of the country has effected a number of bold raids upon places occupied by the New Kirin troops and Japanese garrisons, causing the latter serious losses in men. To carry on the campaign against the Chinese army in Manchuria the Japanese sent considerable forces from Harbin into the interior of the country. These forces, which include the brigade of General Amano, the brigade of General Hasebe, and a part of the brigade of General Murai, after carrying out a plan of strategical manoeuvring have launched a general offensive drive against the Chinese forces of Generals Ting-chao and Li-tu. The operation is assisted by a number of airplanes. Yesterday a squadron of planes attacked Chinese troops near the town of Sansin. The Japanese planes of the Harbin aerodrome come and go in all directions continually. One of the planes here, "Aikoku NS," one of those recently built from the money donated for the purpose by the Japanese people, flew a couple of days ago from Harbin for reconnoitring and bombing purposes in the direction of Sansin and has not returned. All the airplanes of the Harbin aerodrome which went in the afternoon of that day in search of that plane returned towards evening. They had found no trace of the "Aikoku NS." It had radio, but no message has been received.

A very serious encounter between the Japanese and the Chinese troops is reported to have occurred last week near the town of Hailing, where about 12,000 Chinese troops are concentrated. After a sanguinary battle the Japanese and the new Kirin Chinese troops occupied the town of Ningutu. At the end of last week a battle took place at the station of Shitohetsi on the eastern line of the C.E.R. A fire that broke out during the battle destroyed several thousand houses in the town of Shitohetsi. Many minor clashes have taken place at many different places in the province.

An armored train, moving in the vanguard of Japanese troops towards the station of Hailing, was derailed near the sub-station of Otto and fired on by Chinese troops occupying the adjacent hills.

India's Sympathies Are with China

A recent *Reuter* message from Bombay stated that the general tone of the Indian press on Shanghai is one of undisguised antipathy to Japan and whole-hearted sympathy for China. Headlines invariably refer to the Japanese as the "Japs" and hold them up as the aggressors. Every act of heroism of the Chinese in defence of their hearths and homes is published with full-page streamers and the most eulogistic headlines. For its failure to avert the clash in the Far East the League of Nations has come in for a considerable amount of ridicule. "League Muddling while Shanghai is Burning" is a typical headline.

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Chinese Criticize International Settlement Administration

Various Chinese organizations, including the Citizens Federations, various Street Unions, Transportation and Customs Brokers, and the Woollen Factories Trade Association last week addressed a letter to A. D. Bell, the new Chairman of the Shanghai International Municipal Council, protesting against the lack of protection accorded Chinese residents. A significant paragraph in the letter read as follows:

"The Japanese militarists now maintaining peace and order in Shanghai together with the irresponsible armed Japanese civilians have been committing unlawful acts in the Eastern and Western Districts since January 28. They have compelled the Municipal Council to cease functioning, rendered the people homeless and disarmed members of the S. M. P. who have been detailed to protect the people. On February 4 General Macnaghten, the former Chairman of the S. M. C., in the loyal performance of his duty, requested the British Consul-General to lodge a protest with the Japanese authorities. Although the Police rights are being gradually restored, the residents in the Eastern District still continue to live in a state of fear; the merchants are unable to resume their business and most of the former residents are still residing in other districts. These unlawful acts on the part of the Japanese have not yet been dealt with according to law, but they must be attended to by you."

Chinese Oppose Shanghai Demilitarized Zone

A. D. Bell, the new Council chairman, having come out for a policy of demilitarization of the Shanghai area, Tao Lo-ching, secretary general of Chinese Ratepayers' Association, gave an interview to *The China Press* in which he expressed the opinion that, outside of the Chinese government and its citizens, no one has the right to propose such a policy because "Shanghai is obviously Chinese territory."

The spokesman for the Chinese ratepayers also expressed great surprise that some people here, especially foreigners, have been supporting such an "ill-advised" policy. "To say nothing of the fact that Shanghai is Chinese territory," continued Mr. Tao, "Chinese naturally have the right to station troops in the interest of peace and public safety. Knowing that the city is a commercial port and troops and warships other than Chinese have been stationed here, the Chinese government and its people heretofore have considered it absolutely unnecessary to maintain military force, it was stated.

"But the January 28 affair here has caused the Chinese to regret that they have placed too much faith in the international agreements and that there were too few Chinese troops stationed here," he explained. "Therefore whether Chinese should station their troops in Shanghai chiefly depends on whether there is a menance to its sovereignty and security."

Gorman Denies Connection with Japanese Paper at Dairen

To the Editor, *The China Weekly Review*:—

In your issue of March 26 is printed a statement under the heading "George Gorman joins staff of Japanese paper in Dairen." The essential part of your report is as follows: "George Gorman, correspondent of the *London Daily Telegraph*, has joined the editorial staff of the *Manchuria Daily News*, organ of the South Manchuria Railway, published at Dairen. Mr. Gorman will publish a special column of comment which appears on the front page under the heading 'Facing Facts in Manchuria.' I am not surprised that you did not request verification of the report from the principal person concerned. No doubt you had some fantastic purpose in printing this quaint item. I have not joined the editorial staff of the *Manchuria Daily News*. I have had no connection with the *M. D. N.* at any time. I know the editor but distantly. I have no intention of joining his newspaper. I still am correspondent of the *London Daily Telegraph*, and as far I as know there is no intention of terminating the connection.

Mukden, April 9. G. W. GORMAN.

Note by the Editor:—The information upon which *The Review's* original story was based was received from at least two supposedly reliable and well-informed foreign sources in Manchuria. We are, however, glad to accept Mr. Gorman's statement that he is not the author of "Facing Facts in Manchuria," which was referred to in our original report.

Chinese Pay Tribute to Mother of Late "Bob" Short

For the first time in the history of China, a private citizen was welcomed to this country as an official guest of the nation, when on April 19 Mrs. Elizabeth Short, the mother of the intrepid American airman, the late Lieut. Robert Short, arrived in Shanghai on board the Dollar liner *President Taft*. The late Lieut. Short, it will be remembered, lost his life in air battle at Soochow February 22, when he single-handed engaged a Japanese air squadron. The Chinese people are showing their appreciation of his services to their country in a number of ways, not the least important of which is the fervid welcome they are giving to his mother.

Mrs. Short was officially welcomed on her arrival at the Customs Jetty in Shanghai, by Mayor Wu Te-chen, of the Municipality of Greater Shanghai, and representatives of various organizations, including Messrs. C. L. Ying, T. P. Wong, Y. Y. Ho, P. C. Chen and S. S. Lung.

Prominent among the reception committee at the jetty also was Mrs. Li Ching-lin, wife of the former minister of foreign affairs. The Boy Scouts were also in attendance.

A general committee, appointed by the National Government, has taken charge of the arrangements for Mrs. Short's visit, the personnel of the committee including H. O. Tong, representing the National Government, General Gaston Wang, representing the Army, Colonel T. L. Shen, representing the Aviation Corps, Loy Chang, representing the Ministry of Foreign Affairs, O. K. Yui, representing the Municipality of Greater Shanghai, T. L. Yuan, B. Y. Wu, Y. C. Woo E. K. Moy, Hubert S. Liang, C. L. Ying, T. P. Wong and S. S. Lung, representing the various people's organizations of the city.

Mrs. Short has consented to have her son buried in China. The funeral will take place at the Hungjao airdrome, Sunday, April 24.

As a further proof of their appreciation of the late Lieutenant Short, plans are under way by the Chinese people for the erection of a costly, lasting memorial.

Hundreds Still Missing as Result of War in Shanghai

According to figures compiled by the missing persons section of the police to the International Investigation Committee, up until April 9 a total of 836 persons had been reported to the Shanghai International Municipal Police as missing in connection with the Sino-Japanese hostilities in Shanghai. Of this number the Municipal Police have been able to trace 189, leaving 646 unaccounted for. Of the total number reported to the police as missing, 487 were reported as having been arrested by Japanese. One hundred and thirty-four of this total were released by the Japanese by April 9 and 55 were reported to have returned of their own accord.

Some 218 persons not reported missing have been released by the Japanese authorities and handed over to the Municipal Police. Persons not reported missing but released by the Japanese to agencies other than the Settlement police number 356.

The names of 82 persons appear on the Municipal Police records as reported missing outside of the International Settlement limits. Of this number 11 have since been reported found.

Judgment Reserved in Sopher Kidnapping Case

Judgment has been reserved in the Second Branch Kiangsu Higher Court in the appeal of nine Russians charged and convicted in the court of first instance of attempting to kidnap Theodore Sopher, prominent real estate agent, in September last year. The appellants, who were arrested by Central Police detectives at various sections in the French Concession, were sentenced from nine to 15 year's imprisonment after Paul Y. Ru, police prosecutor, had called several witnesses who gave material evidence in the case. Dr. O. Fischer, who defended Romanoff, who was sentenced to 12 years imprisonment, made a fervent appeal on his behalf, adding that he at first had refused to take the case when members of Romanoff's family approached him as they had no money and could not pay his fees, but as he felt that Romanoff had been innocently sentenced for reasons of humanity he had been moved into pleading for a reversal of the judgment handed down in the lower court.

South Manchuria Railway's Interest in Coal and Iron Development

Mr. Eguchi, former vice-president of the South Manchuria Railway Company, recently visited Mr. Takahashi, Minister of Finance, and discussed with him the situation in Manchuria and the various problems confronting the South Manchuria Railway Company. He outlined the Company's plan for an increase in capital, and solicited Government support.

According to a press interview printed in the *Japan Chronicle*, Mr. Eguchi, said that he considers it difficult for the Government to take over half the new capital. The best thing in his opinion is to ask the Government to take over the five per cent. S. M. R. Sterling debentures £4,000,000 in all, and employ them for covering the capital increase. He put forward this plan to Mr. Takahashi. He also asked the Minister of Finance to arrange for a dividend guarantee for private subscriptions.

Japanese coal and iron operators attach much importance to the policy of the Overseas Department and the South Manchuria Railway Company in the exploitation of coal and iron resources in Manchuria.

Coal traders in Japan will do their utmost to stop shipments from Manchuria for the situation within the country is so depressed that they have already been restricting the import of Fushun coal. Consumers, in Japan, however, welcome Manchurian coal, as it will no doubt cause prices to decline.

Many collieries would like to develop resources in Manchuria. The Chikuho and other important collieries are now old, and their production costs are mounting. Many are in fact approaching the economic limit. These pits therefore will not object to the exploitation of mining in Manchuria if competition between Japan and Manchuria can be obviated. They hope that the Overseas Department will make the colliery business in Manchuria a joint undertaking between traders there and in Japan.

Japanese iron and steel manufacturers are not giving the matter urgent attention, because it will take four years to complete the Showa Steel Works. Pig iron stock in Japan is put at over 600,000 tons. In view, however, of a rise in ore prices through the depreciation of yen exchange, future imports will be hampered, and the time may come when steel manufacturers in Japan will seek increased production in Anshan and Penkihu.

As regards the Showa Steel Works, the situation has greatly changed since 1929 when Mr. Yamamoto, the then president of the South Manchuria Railway, assisted by leading manufacturers in Japan, drew up a plan to turn out 600,000 tons of ingot, wire, sheet piling, sheet bar, sheets, tinplates and other material of which a shortage was felt in Japan. Production in Japan has since greatly increased, and except for tinplates, she can produce as much as she requires. There is little room for Manchurian steel goods to get into the market in Japan.

It is not contemplated for the South Manchuria Railway Company to increase its production of iron and steel goods in the immediate future. The South Manchuria Railway Company, however, is anxious to establish its policy for the distant future.

Japanese Naval Men Justify Their Presence in Hongkew

Officials of the Japanese naval landing party in Shanghai in an interview with the *Press Union* April 7 stated that the presence of the Japanese bluejackets in the Hongkew district should cause the Chinese merchants to feel safe. "Of course," said these officials, "we of the Japanese Navy do not gain or lose by the opening or closing of these Chinese shops in Hongkew, and, for that reason, it is immaterial to us. But we do hope, for their own sake, that the Chinese will come to see the wisdom of re-opening their shops as quickly as possible."

Foreign Landlords Are Liberal to Chinese Tenants

The Shanghai Land Investment Co., a British realty company, which rents hundreds of houses to Chinese tenants in the Hongkew district, notified its tenants recently that in view of the situation which obtained in the Hongkew district during the months of February and March as a result of the Japanese invasion no demand would be made for the payment of rents during those two months. Various Chinese organizations have also made a demand on the Shanghai Municipal Council that it should remit the taxes for the same period.

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Men and Events

Owing to the improved situation in Shanghai Signor Mussolini has ordered the 10,000-ton Italian cruiser *Trento* and the destroyer *Espero* to return home.

Col. N. E. Margetts, former American Military Attache in Peiping who departed recently for the United States, died in San Francisco on April 19, the cause of his death not being stated.

Circulars have been received in Shanghai issued by the American Boycott Association, 218 Madison avenue, New York, appealing for a boycott on Japanese products, in the interest of world peace.

Brig. Gen. E. B. Macnaghten, the retiring Chairman of the Shanghai Municipal Council, and a director of the British-American Tobacco Co., departed from Shanghai April 19 for a holiday in England.

Paul W. Meyer, American consul at Nanking, departed for the United States during the week on long leave, accompanied by his bride, to whom he was married in China last August. Mr. Meyer's home is Denver, Colorado.

Hollington K Tong, editor of *The China Press*, departed for the United States this week for the purpose of purchasing new printing machinery for *The China Press* as well as for a Chinese newspaper in Tientsin which Mr. Tong publishes.

According to advices from Manila, a total of nearly $700,000 has been contributed up to date by Chinese nationals resident in the Philippine Islands towards the reinforcement of the national defences against Japanese military aggression.

A weekly newspaper, *Hua Nien*, has been started by the National Committee of Y. M. C. A. of China, the first issue being dated April 16. Dealing primarily with the problems of youth, this weekly will take the place of *Association Progress*, issued as a monthly.

A recent telegram from Loyang reported that President Tai Chi-tao of the Examination Yuan is now touring Shansi with the living Buddha Changkia and intends to make a long stay at the White Horse Temple, with the intention of becoming a monk.

Edwin Haward, editor of the *North China Daily News*, accompanied by Mrs. Haward, is spending a brief holiday at Hankow. Pending Mr. Haward's return at the end of this month, R. T. Peyton-Griffin is in editorial charge of the paper.

The 30th annual report of the U. S. Steel Corporation (year 1931) shows a net income of $4,022,337,269.40. The total earned surplus as of Dec. 31, 1931, was $691,837,191,66, which was divided: $27,000,000, to cover capital expenditures, leaving $421,837,191.66 undivided surplus.

The marriage took place recently at the Moore Memorial Church in Shanghai of K. P. Tseng of the British-American Tobacco Co. and Miss Rosalind Yen, who is the elder daughter of Mr. and Mrs. M. C. Yen and the niece of Dr. W. W. Yen, Chinese delegate at the League of Nations.

Julean Arnold, American Commercial Attache departed this week for Mukden and according to report he will superintend the closing of the offices of the U. S. Department of Commerce in that city, the reason being the unfavorable trade prospects for American goods resulting from the Japnese occupation.

Lin Sen, President of the National Government, proceeded to Nanking from Shanghai April 18. President Lin intimated in an interview that as a result of his persuasions, Sun Fo formerly President of the Executive Yuan, has agreed to proceed to Nanking in the immediate future.

Dr. Nicholas Murray Butler, President of Columbia University and a member of the Republican Party, declared in a speech last week that the abrogation, or a substantial reduction of war debts would be absolutely essential for the establishment of prosperity and political harmony in the world.

According to a delayed message an earthquake rocked the Yangtsze River region April 6. The city of Macheng, north-eastern Hupeh, was badly hit. In several villages in that vicinity about 70 percent of the houses collapsed and human corpses and dead animals are strewn all over the ground.

Police offiicials at Dairen seized counterfeit Chinese bank notes to the total amount of 100,000,000 yuan April 14. These false notes, according to a *Rengo* message, were printed at a certain place in North China and were transported by a vessel to Manchukuo and Mongolia for the purpose of disturbing monetary circles in the new State.

Who's Who in China

Chien Chung-tse, communication official; born at Hanghsien, Chekiang, in 1891; graduate of Paoting Military Academy and later of Nationalist Military College; joined army after graduation and became captain and regiment commanders; vice chief of the Nationalist Railway Police Bureau of the Ministry of Communications; head of the Hsuchow (Kiangsu) police bureau; Provincial police commissioner and concurrently head of the police bureau of the Chekiang province; chief director of the military train administration bureau of the Generalissimo chief headquarters of the Nationalist army; vice chief of the Tientsin and Pukow Railway administration bureau; transportation commander of the Tsin-Pu and Lunghai Railways; now chief head of the Lunghai Railway administration bureau: address: Lunghai Administration Bureau, Chengchow, Honan.

錢宗澤字慕霖

Chien Chung-tse

錢宗澤，字慕霖，浙江省杭縣人，年四十二歲，畢業于保定軍官學校，及國民軍事專門學校後，任隊長連長等職，調任交通部護路警察局副局長，再任江蘇省徐州警察廳廳長，升任浙江省警察廳廳長，繼任國民軍總司令部軍用車務管理處處長，更任津浦鐵路管理局副局長，及隴海鐵路管理局輸送科科長，現任隴海鐵路管理局局長，

L. H. Hong, son of S. M. Hong, missing general manager of International Dispensary Company, who was captured by the Japanese military here two months ago is proceeding to the Straits Settlement to raise money for the establishment of a middle school in memory of his father after the question of peace has been settled here.

The death occurred at Amoy, South China, April 6 of Miss Mary E. Talmage, after 57 years of missionary work in China, mostly in the shape of welfare work among Chinese children. She was a member of the Reformed Church of America. She was born in China, the daughter of the Rev. John V. Talmage, who came to China in 1847.

Duke Parry, formerly representative of *International News Service* in Tokyo, died in New York April 14 after an operation necessitated by a skull fracture suffered when he was a attacked recently in Times Square. He was a graduate of the University of Missouri, and was one of the best-known newspapermen of the Far East some years ago. He was in Tokyo at the time of the 1922 earthquake.

General Hines, who, for the past two years, has been commander of the Philippine Department, with headquarters at Manila, passed through Shanghai last week en route to the United States for retirement after 45 years of service. The former commander of the American forces in the Philippines while here took the salute at a review of the 31st Infantry at the Race Course.

A circular issued by the Chinese employees of the Nikka cotton, Pootung plant, says that unless the Japanese troops are completely withdrawn from the Shanghai area, unless the cotton mill management pay wages for the period of the closure in full and unless they revive the system of special allowance for regular attendance, they will not agree to return to work.

Communist Menace Grows All Over China

Reports of serious Communist uprisings were reported in various parts of the China during the week, the most serious being those in Hupeh province, where the notorious Ho Lung and Tuan Teh-chang at the head of communist troops are committing numerous outrages particularly in the Hung Lakes district.

Reports from Hankow show that the Red Army under the above two leaders comprises three divisions, and is operating along a line from Tienmen in the south to Yincheng near the Peiping-Hankow railway, with its center based on Tsaoshih. Opposed to them are three divisions of the 10th Army, the 41st, 47th, and 48th, under General Hsu Yuan-Chien. The 48th division forms the government line.

In a successful offensive movement the government 48th division drove back the Communist center to some distance beyond Tsaoshih, and it is now believed that the Reds intend to change the entire formation of their line. There are indications that they are concentrating their full strength at Tienmen and Yincheng with the object of outflanking the government forces. To guard against this threat *Reuter* reports that two more regiments have been dispatched from Wuhan to reinforce the flanks of the government army. Strenuous efforts are being made in the Wuhan cities to raise money for the troops in order that the campaign may be continued until it is brought to a successful conclusion. With this object a number of meetings have been arranged between the military authorities and merchants of Hankow and the hope has been generally expressed that Hupeh is at last to get rid of the Red menace.

Reports from the battle zone beginning of the week state that fighting has been incessant. The casualties on the government side are said to be more than 700, including a brigade commander and a colonel killed. The losses by the Reds are not known, but they are likewise believed to be heavy.

Changchow Under Martial Law

Recent official despatches from Changchow, the terminus of the short railway running inland from Amoy, state that martial law was enforced there April 16 and that many arrests were made. On April 10 the police at Changchow received secret instructions to round up the headquarters of the "Hsin Quo" army, and the alleged generalissimo, vice-generalissimo, and division commander of the army were arrested. The authorities at Changchow stationed troops at strategic points along the streets. At the same time troops and police carried out raids throughout the city, which resulted in numerous arrests, including many rebel leaders.

Conference on Reds Being Held at Canton

An important military conference took place at Canton during the week, following the return of General Chen Chi-tang, commander of the First Army Group, from his native town to which he had been paying a short visit. Representatives from Nanking were in attendance and plans for the vigorous prosecution of the campaign against the Communists in Kiangsi and Fukien were discussed.

British Send Cruiser to Amoy Because of Communist Menace

Owing to the prevalence of Communistic disturbances in the Amoy area the British cruiser *Devonshire* was dispatched from Hongkong to Amoy beginning of the week. The town of Chuenchow was captured by a Communist army April 16. Chuenchow is some distance north-west of Amoy, and is an important commercial center of Fukien province.

Is Sun Lien-chung a Communist?

The forces now advancing against Amoy are stated to consist of 20,000 well-equipped and well-disciplined troops under Sun Lien-chung. These troops under Sun Lien-chung do not call themselves Communists but carry a black banner with a yellow border inscribed with the words "The protecting party for saving the country." This presumably is their self-chosen title but the authorities regard them as Communists and the Chairman of the Provincial Government is gathering re-inforcements from all quarters to oppose them.

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In the United States Court for China

DUDLEY RISTINE BRITNEY, Plaintiff, vs. FLORENCE WILBUR BRITNEY, Defendant.	Cause No. 3445 Civil No. 1540 ORDER Filed at Shanghai, China, April 15, 1932. JAMES M. HOWES Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorney, has this 15th day of April, 1932, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 15th day of April, 1932, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 15th day of April, 1932, Dudley Ristine Britney, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of the court during the last year previous to the 15th day of April, 1932;

NOW THEREFORE it is this 16th day of April, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holiday, occurring after the 7th day of May, 1932, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON D. PURDY,
Judge.

New Books of Interest in the Far East

America's Adventure in Siberia

America's Siberian Adventure. By William S. Graves. Jonathan Cape and Harrison Smith. New York 1931. pp. xxiii+363. (Gold $3.50.)

Major-General Graves, U. S. Army, has produced, for students of Far Eastern affairs, an immensely valuable book, close-packed with documents, telegrams, reports, conversations, and other information concerning the armed intervention in Siberia as the Allied Powers during 1918-20 —a book difficult to summarize without incurring the risk of presenting only fragmentary facts and not giving the due credit which this valuable piece of work deserves.

General Graves was ordered by the American War Department to go to Siberia to guard, in conjunction with other Allied armies, the Trans-Siberian Railway, to keep it open, and *not* to interfere in the internal affairs of Russia. Soon after his arrival, however, he discovered that the British, French, and Japanese military commanders, together with the American consular officials and Red Cross workers, were all actively engaged in helping the raping, plundering, murdering Cossacks and other Czarist adherents to overthrow and destroy the local Soviets of Siberia. The bandits, murderers, peace-breakers, whom the Allied commanders—General Graves excepted—tried to place at the helm of the State, were no others than the notorious Semeneoff, Kalmikoff, Kolchak, Rosanoff—human monsters whose greatest delight was to capture every Russian opposed to their person, burning them alive, torturing and flogging them to death, tying stones round their necks and so dropping them into the lakes. These atrocities were not committed by the Bolsheviks, as the innocent world is still inclined to believe—General Graves assures us, "'I am well on the side of safety when I say that the anti-Bolsheviks killed one hundred people in Eastern Siberia, to every one killed by the Bolsheviks." Semeneoff and Kalmikoff soldiers, under the protection of the Japanese generals Oteni and Oi, roamed the country like wild animals, killing, robbing, raping, wherever they went. "If questions were asked about these brutal murders, the reply was that the murdered people were Bolsheviks, and this explanation apparently satisfied the world." Conditions in Eastern Siberia were horrible, and "life was the cheapest thing there." But as General Graves declares, "Had it not been for foreign bayonets, these murdering White Russians could never have existed for a day in Siberia" against the hatred of the people.

In the perpetuation of these atrocities the White Russians found faithful collaborators in some of the Allied commanders. Thus General Knox, of the British Army of Occupation, could not give any sympathetic consideration to the aspirations of the peasant class of Russia, whom he characterised, and treated, as swine. As to the repulsive murders committed by the Japanese, we had better let General Graves speak himself:

"The five Russians (suspected of being Bolsheviks) were marched to some graves that had been dug in the vicinity of the railroad station (at Sviagina); they were blindfolded and forced to kneel at the edge of the graves, bending forward with their hands tied behind them. Two Japanese officers, removing their coats and drawing their sabres, then proceeded to slash the victims on the back of the neck, while as each one fell forward into the grave, three Japanese soldiers bayonetted him several times with cries of pleasure. Two were beheaded at once by the sabre strokes; the others were apparently alive as the earth was thrown upon them." These executions cannot indeed fail to recall to our minds those recently staged in Kiangwan and Chapei by the Japanese soldiers on a similar peace mission in Shanghai, only here in Shanghai limbs were cut off, instead of heads, and the Chinese war prisoners were allowed a longer life after mutilation than the suspected Bolsheviks.

As Japan is at present supporting Chinese puppets in the Three Eastern Provinces to destroy whatever law, order, and prosperity there was, so, according to General Graves, had Japan supported Semeonoff with troops and money at Chita, and Kalmikoff at Habarovsk, in order to prevent conditions from being settled and any strong, stable, government from being established. To carry out this work of creating chaos and anarchy, under the pretext of fighting Bolshevism and defending the civilised world, Japan had despatched 72,000 men (as at Shanghai) and spent some 900 million yen. In justice to the Japanese however, it is but fair to point out that the British military authorities, and Dr. Teusler, the head of the American Red Cross in Siberia, had also their full share in this civilising mission. It is only curious how the head of a humanitarian organisation could have found it possible to meddle with other people's affairs to the extent of assisting a terrorist Russian minority in carrying out a homicidal campaign with Red Cross supplies purchased with the money contributed by generous people in the United States under the impression that what money they contributed would do some good in Russia.

General Graves is successful in revealing to us, with convincing evidence and undisputed authority, the mentality, methods, and actions of the imperialists in Siberia, a revelation which has a direct bearing on the present situation in China. But he is less happy in his way of writing, which is anything but lucid and methodical. Essentially a military man, however, General Graves may be forgiven for his inability to write more clearly and systematically. But the poor index is inexcusable, being unworthy of this valuable publication.

YU SHAN.

Shanghai, April 18, 1932.

Recent Pamphlets Received

"Manchuria in History—a Summary" is the name of a 45-page illustrated booklet, written Dr. Li Chi, Research Fellow of the Academia Sinica, and published by the Peking Union Bookstore. The author points out that it is only recently that Manchuria has become an international problem. He traces the history of Manchuria from the 12th century B. C. up to the present time, laconically adding that the history of the most recent period he will leave to other experts.

Foreign Policy Reports, March 2 issue, discusses the financial crisis in Germany. It is stated that during the entire time that the Dawes plan was in force Germany met its foreign obligations by borrowing abroad and not "effectively out of its own resources."

The Question of Chinese Railways In Manchuria

Refuting the allegation made by the Japanese to the effect that a Secret Protocol was annexed to the Sino-Japanese Treaty of 1905 prohibiting China from constructing railways "in the neighborhood of or parallel to the South Manchuria Railway," Shen Cheng-ting Director of the Asiatic Department of the Ministry of Foreign Affairs, in a press interview at Nanking April 16, stated that there was no such "protocol" as alleged by the Japanese, the matter being only informally referred to in the minutes of the Sino-Japanese conference which resulted in the Treaty of 1905. He added that since the minutes had not been formally signed by the plenipotentiaries of the two contracting parties nor had they been ratified by the respective governments, it would obviously be unreasonable to claim for them the validity of an ordinary Treaty.

Continuing, Mr. Shen said that even if, for the sake of argument, the Japanese allegation were admitted, the construction by China of the Tahushan-Tungliao Line (Western Liaoning) would not have constituted a violation of the alleged Chinese undertaking, as contended by the Japanese. The said railway is situated over 100 miles away from the South Manchuria Railway and, moreover, is not parallel to the latter line.

In this connection, Mr. Shen cited articles written by a Japanese professor of the Imperial Tokyo University, which admitted that the Tahushan-Tungliao Line could not reasonably be considered as being "in the neighborhood of or parallel to the South Manchuria Railway" within the meaning of the alleged secret protocol.

Mr. Shen further pointed out that the recent drop in the income of the South Manchuria Railway was due largely to the inefficiency and bureaucratic system of management as well as the unfavorable silver exchange, and not to any competition by Chinese railways. He said that the Chinese Government had every right to construct railway lines in her own territories.

Nanking Urges Workmen's Compulsory Saving System

In order to promote the well-being of labor, the Executive Yuan has promulgated a set of provisional measures providing for the enforcement of what may be described as a workmen's compulsory savings system. The new measures provide that a joint savings society must be organized in every factory. It is further stipulated that all workmen in a factory must become members of the society. Savings are to be divided into two kinds, namely, compulsory and voluntary. Every worker must deposit a certain percentage of his wages into a savings account. The amount of such savings is to be determined in the light of the workman's living requirements and economic position. Ample provision is also made to guarantee the security of the savings deposited with such societies.

American and European Traders to Test "Open Door" in Manchuria

Recent activities of American and European traders in Manchuria will test the point whether the new Manchukuo Government's pledges of the open door and equal opportunity are sincere or not.

A few weeks ago a Corporation, representing machinery, chemical, electrical and oil work manufacturers in Texas, approached the Osaka Trade Museum in the hope that they can co-operate with Japanese traders in opening up a new market in Manchuria. It is now also reported that a German vessel arrived at Dairen a week ago, bringing sample boxes of crystallized sugar, benzine, wrapping paper, chocolate, milk, films, wire, towels, handkerchiefs, soda ash and several other articles.

Japanese Army Plane Drops in Flames Near Shanghai

A Japanese Army battle plane, piloted by Lieutenant Hiedmi Izuhara, crashed to the ground in flames shortly after 11 o'clock April 16, resulting in total destruction, near the Japanese aerodrome a short distance from Shanghai. The pilot escaped from the burning plane by dropping in a parachute. The plane touched the ground near the University of Shanghai building, nearby, a little north of the aerodrome. Lieutenant Izuhara reached the ground at Yinghong, having received some slight injuries in the face.

The plane was engaged in manoeuvring, when suddenly through some mechanical defect, the plane caught fire. It is reported that the plane which was destroyed was one of the latest models designed by the Japanese Army.

Disorderly American Marines Arouse Japanese Ire

All of the three Japanese newspapers of Shanghai on April 18 devoted considerable space to the acts of two members of the U. S. Marines in Shanghai, which allegedly took place the previous afternoon about 2 o'clock at 63 Morrison Road, in front of a Japanese tailor shop.

According to these papers, two intoxicated U. S. marines appeared in front of the tailor shop shortly after noon and created a disturbance. Mrs. Kadowaki, the shopowner's wife, came out to see what was going on, when one of the marines began to insult her. When her husband came out, one of the marines suddenly used his fists upon the Japanese. One of the marines was turned over to the municipal police; the other ran away.

More Wheat Needed for Labor Relief in Hupeh

Sir John Hope Simpson, director-general of the National Flood Relief Commission, arrived in Hankow from Shanghai April 16 and conferred with General Ho Chengchun, Dirctor of the Hankow Pacification Headquarters, concerning labor relief measures. Sir John indicated that, owing to a miscalculation, more wheat will be needed for labor relief in Hupeh. For farm relief alone 5,000 tons of wheat are required, according to his estimate.

IN THE UNITED STATES COURT FOR CHINA

In re.
Estate
of
ROBERT McCAULEY SHORT
Deceased

Cause No. 3431
Special Proceedings No. 771
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Robert McCauley Short, deceased, to present the same with vouchers to the undersigned on or before October 9th, 1932, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China, March 31, 1932.

James B. Davies,
c/o Schuhl, Davies & N. E. Lurton,
141 Szechuen Road,
Shanghai.

In the United States Court for China

In re.
Estate
of
JOHN WALL ALLEN
Deceased

Cause No. 3424
Special Proceedings No. 774
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN WALL ALLEN, deceased, to present the same with vouchers to the undersigned on or before October 23, 1932, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
March 28, 1932.

Thomas Jefferson Whitaker.
c/o British Cigarette Co.
Shanghai.

In the United States Court for China

IRENE MESSURO CORCORAN
Plaintiff,
vs.
GEORGE H. CORCORAN
Defendant.

Cause No 3434
Civil No. 1538
ORDER
Filed at Shanghai, China
April 4, 1932.
JAMES M. Howes,
Clerk.

The object of this suit is an application for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 4th day of April, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 4th day of April, 1932, the summons for defendant was returned by the United Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 2nd day of April, 1932, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since November 1928, and that defendant's last known address was Washington, D.C., U.S.A.

NOW, THEREFORE, it is this 4th day of April, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review* a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 23rd day of April, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 4th day of April, 1932.

MILTON D. PURDY
Judge

In the United States Court for China

In re. Estate
of
HENRY BULLITT RAUTERBERG
Deceased

Cause No. 3438
Special Proceedings No. 780
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Henry Bullitt Rauterberg, deceased, to present the same with vouchers to the undersigned on or before October 16th 1932, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
April 6, 1932.

H. G. FREEMAN Jr.
c/o Tobacco Trading Corp.
74 Szechuen Road
Shanghai.

China Navigation Co. Must Pay for Military Guards

The Court of Appeal in London last week dismissed the appeal of the China Navigation Company concerning the question of liability of ship-owners to pay for guards against piracy. The action arose out of the British Government demanding payment for its services to ship-owners in providing naval and military guards against piracy of British ships in Chinese waters. The China Navigation Company claimed that the Government was not empowered to demand such payment.

Justice Rowlatt found against the shipping company, and the Court of Appeal has sustained Justice Rowlatt's decision.

1,000 Pacifist Britishers Join to Intervene in Shanghai War

The "peace army" formed by the British woman preacher, Miss Maude Royden, and others, whose intention is to form a "human wall" between the Chinese and Japanese forces in the Shanghai regions according to a recent telegram from London, now numbers a thousand persons. This is considered sufficient for the "army" to operate on two "fronts." The leaders have formed a section of "passive resisters," who will stand between the two forces, and also a "restoration army." A representative of the movement has gone to Geneva to discuss the sending of a contingent from the "restoration army" to Shanghai to help in the reconstruction of the devastated areas.

British Conservative Suggests League Should Police China

The policing of China by the League of Nations in order to stamp out banditry was urged by F. A. Macquisten, a Conservative member, of the House of Commons recently. Mr. Macquisten proposed that small police forces should be recruited from the various States, members of the League, and that each force should operate in a certain prescribed area.

The Under-Secretary of State for Foreign Affairs replied that the Foreign Secretary was not prepared to propose such a scheme, as the initiative in the matter rested with the Chinese Government.

Japanese Powder Magazine Explodes Near Tokyo

Several persons were injured and some 50 neighboring houses damaged by explosions of the Japanese army powder magazine at Takinogawa, on the outskirts of Tokyo. April 19. The first and the severest explosions took place at a little past 6 a.m. followed by a series of minor explosions. The causes and the details of damages are still under investigation, but it is believed the explosion was due to spontaneous combustion.

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MILITARY ADVENTURES CAUSE HEAVY STRAIN ON JAPAN'S FINANCE

(Continued from page 245)

balance amounting to Yen 150,000,000 being recorded for the first three months of the year. The adverse balance this year is about five times as big as that for the corresponding period of last year. Unemployment was also showing a gradual increase instead of the promised decline. Loan issues go on mounting up, but there is no prospect of industrial development.

According to a message from Tokyo April 4 contributions from the public received by the Japanese Army up to that date amounted to Yen 1,260,000; the Navy received Yen 500,000 in money and some Yen 130,000 in arms. Of the above fund about Yen 1,077,000 was spent in the manufacture of "Patriotic Airplanes."

***

Closely bound up with Japanese finances at home is the matter of financing Manchukuo and also the South Manchuria railway. Preparations are steadily being made for the opening of the Central Bank of Manchukuo in the early part of May. The reserve fund of the bank is to be 35,000,000 yuan and the limit for the issue of notes is to be fixed at 100,000,000 yuan. The currency in circulation in Manchuria at present is calculated at yen 130,000,000; yen 70,000,000 in old Chinese notes, yen 50,000,000 in the Bank of Korea's notes and yen 10,000,000 in the Yokohama Specie Bank's notes. The old Chinese notes are to be recovered as the result of the formation of the Central bank.

As already recorded the two principal Japanese trading concerns, the Mitsui and the Mitsubishi are loaning Yen 20,000,000 to Manchukuo, and the principal Japanese newspapers are handing out encomiums to these houses as showing the willingness of Japanese business interests to render real help to the new Manchurian government—incidentally suggesting that this example will also induce the lesser trading concerns such as the Sumitomos and the Yasudas to follow the Mitsu example.

According to reports in Japanese newspapers the salt revenues which have been seized in Manchuria are to be used as security for the loans which are being made by the Mitsui and Mitsubishi, a spokesman for whom is reported as having said: "The salt gabelle revenue in Manchuria, which has been secured as the mortgage for us, amounts to Yen 7,000,000 a year, of which Yen 2,400,000 is secured for the other foreign loans, so that we will be entitled to the balance of the amount. The loan we are offering to advance to Manchukuo is not large in amount, but we shall be glad if this loan will prove instrumental in enabling Manchukuo to settle its present difficulty of financing its administration and be placed in a position to proceed with the upbuilding of an ideal nation."

Following the example of the Mitsui and Mitsubishi trading houses, the Sumitomo Company is said to be contemplating loaning several million yen to the new Government of Manchukuo through the Japanese Government.

The future management and policy of the South Manchuria railway continues to be a matter of heated argument in Japanese political circles. The dismissal of Mr. Eguchi, the Vice-President, by the Government, which in turn led to the resignation of Count Uchida, the President, has become one of the major topics in Japanese politics. Count Uchida has been induced to stay on pending the visit of the League Commission but he remains firm in his intention to quit. The action of the Government regarding the Vice-President has aroused the ire of the military party. The military authorities have from the beginning supported Count Uchida and there has been perfect accord and co-operation in policy between them. They have often spoken disparagingly of the practice of changing the heads of the South Manchuria Railway Company at each Cabinet change, and there is a general impression among them that the Government has deliberately disregarded their wishes. The Government professes its innocence of any intention to remove Count Uchida, but this profession is not taken seriously in military circles where the belief is prevalent that the dismissal of Mr. Eguchi was used as a lever with which to drive out Count Uchida, as it has always been taken for granted that Count Uchida would not allow his valuable helper to go alone.

The Flood of Japanese Advisers in Manchuria

More than 150 Japanese have so for been appointed as Heads of the General Affairs Bureaus attached to district governments in the three North-eastern provinces of Liaoning, Kirin and Heilungkiang. With the exception of those districts now under the control of the Chinese Volunteers and loyalist troops, all Japanese appointed to such positions have assumed their duties. This means that the actual authority in the various districts is wielded by Japanese, the Chinese district magistrates being only figureheads. The number of these officials together with those serving as advisers to the civil, financial, and communication organs of the puppet Manchukuo now exceeds 800.

A *Kuo Min* telegram April 11 stated that the Japanese Government is officially despatching another 2,200 Japanese job-hunters to Manchuria. A list of names has been handed over to the puppet Manchukuo with the injunction that jobs be provided for them within three months.

Americans Lose Two Billion Gold Dollars in Foreign Bonds

Americans who have invested some $15,000,000,000 in foreign bonds since 1914 have lost about $2,000,000,000 from defaults and depreciation, but the bankers who floated these issues in U.S.A. have made nearly $1,000,000,000 in profits from them. This was the estimate given in documents recently placed by Senator Johnson in the records of the Senatorial Committee, which has been investigating the flotation of foreign loans in U.S.A. Losses from European government securities were estimated at $800,000,000 and from European industrial issues at $465,000,000 while those from South American loans were placed at $1,100,000,000. It was estimated that some $2,500,000,000 worth of issues guaranteed by European Governments held by U.S. investors is still outstanding. An interesting feature of the report is that Americans are estimated to have loaned more then $2,500,000,000, abroad each year from 1924 to 1930 excluding 1929.

Moscow Requests Recall of Chinese Consul at Blagovestchensk

Alleging that the Chinese Consul stationed at Blagovestchensk has been using his privilege of dispatching coded telegrams for conveying to various parts of China and to foreign countries appeals signed by General Ma Chan-shan, who is now leading a fugitive existence in the province of Heilungkiang, and as such action is liable to cause injury to the Soviet Government's policy of strict non-interference in Manchurian affairs, the Foreign Commissariat at Moscow, according to *Tass*, has requested the Manchurian Government to recall the present Chinese Consul at Blagovestchensk and replace him by some other person. Later telegrams stated the Consul had given a satisfactory explanation.

Annual Budget for National Government's 20th Fiscal Year (1931-32)

The annual budget of the National Government for the 20th fiscal year (1931-32) was passed by the Legislative Yuan with a few minor revisions at Nanking April 18. A sum of $11 million was deflected from the item of Naval expenditures and transferred to the National Air Force. The budget is balanced at $893,335,073.

Following are the chief items of revenues and expenditures of the National Government for the 20th fiscal year:

Ordinary Revenue:

Customs duties	$374,682,000
Salt revenue	163,247,417
Wine, Tobacco and Stamp Taxes	48,856,337
Consolidated Taxes	75,777,228
Mining Taxes	1,071,288
Tax from Stock and other Exchanges	101,008
Registration and other Fees	172,812
Income from State properties	88,840
Income from State enterprises	6,126,184
Income from varsous administrative organs	3,823,235
Miscellaneous	34,406,516
Total	$708,352,865

Extraordinary Revenue:

Income from State properties	$ 4,982,208
Proceeds from domestic loans	180,000,000
Total	$184,982,208
Grand Total	$893,335,073

Ordinary Expenditures:

Party administration	$ 6,240,000
National Government and subsidiary organs	10,830,972
Military expenditures	279,947,666
Civil administration	6,978,296
Foreign Ministry and Diplomatic service	9,634,730
Finance Administration	77,422,432
Education	16,794,279
Judicial administration	1,316,158
Industries	5,336,380
Communications	3,991,211
Reconstruction expenses	1,792,531
Loan obligations	343,404,644
Subsidies for provincial and other organs	78,875,615
Reserve	26,354,578
Total	$ 868,919,492

Extraordinary Expenditures:

National Government & subsidiary organs	1,404,090
Military expenditures	16,621,773
Civil Administration	68,981
Foreign Ministry & Diplomatic service	428,220
Finance administration	1,323,191
Education	1,864,257
Judicial Administration	194,972
Industries	2,097,982
Communications	7,032
Reconstruction	405,083
Total	24,415,581
Grand Total	$ 893,335,073

Disorderly American Marines Arouse Japanese Ire

All of the three Japanese newspapers of Shanghai on April 18 devoted considerable space to the acts of two members of the U. S. Marines in Shanghai, which allegedly took place the previous afternoon about 2 o'clock at 63 Morrison Road, in front of a Japanese tailor shop.

According to these papers, two intoxicated U.S. marines appeared in front of the tailor shop shortly after noon and created a disturbance. Mrs. Kadowaki, the shopowner's wife, came out to see what was going on, when one of the marines began to insult her. When her husband came out, one of the marines suddenly used his fists upon the Japanese. One of the marines was turned over to the Municipal police the other ran away.

Moscow Atheist Denounces Church for Not Helping Chinese

A recent Moscow telegram stated that a scathing denunciation of organized religion for its failure to protest effectively against the Japanese invasion of China had been issued by Emilian Yaroslavsky, head of the Godless Society and "high priest" of atheism. M. Yaroslavsky recalls the repeated intrusion of various religious leaders into the political affairs of the Soviet Union and contrasts with it their alleged silence in the fact of events in the Far East. "No Pope," he writes in *Pravda*, "will declare a crusade against this war, against the suffocation of the working masses of China, in which all imperialists take a silent part. The church remains true to imperialism in this question. It is its reliable servant to the very end. Its own fate is closely connected with the fate of imperialism. The destruction of capitalism will mean the destruction of the church."

Japanese Emperor's Birthday Celebration in Shanghai This Year to Be "Simple"

A joint civil and military celebration of the birthday anniversary of the Emperor of Japan will be held in Shanghai April 29. An informal meeting of a provisional committee to prepare for the celebrations, selected from among the local Japanese residents, took place April 15 at the Japanese Club, on which occasion representatives of the Japanese Army and Navy in Shanghai were also present. Japanese advices indicate that the celebration this year in Shanghai will be "simple," compared with those of previous years. This year's celebration is to be held as in former year in Hongkew Park.

Chinese Army Officer Arrested by Japanese

An officer of the Chinese regular forces, Lt.-Colonel Kuo Chien-hua, aged 30, attached to the Chinese Air Forces headquarters, who was loitering in the Yangtzepoo area near the Japanese Army headquarters, was arrested by Japanese gendarmes late on the night of April 16. He was in plain clothes at time of his arrest, but possessed documents proving his identity. The Japanese allege that this is the fourth Chinese in the regular military service found loitering near Japanese quarters recently. Between April 15 and 16, three others, all regulars, were found loitering near the Japanese Consulate-General building or near the Japanese cruiser, *Iduzumo*, flagship of the Third Fleet. Two of these had Army uniforms on, over which they wore plain clothes.

Military Exhibition Held at Soochow

A military exhibition was held at Soochow on April 15 by the local military authorities for the purpose of spreading military knowledge among the people. Drawings, statistics, miniature models, and some weapons were among the exhibits. A considerable quantity of propaganda material was also displayed, including an Appeal to all Chinese to "carry on a long and determined struggle against Japan".

Similar exhibitions are also being held in Quinsan and other nearby towns and villages.

A British School-Master's Escapade

H. C. Faulder, a British school-master in Shanghai, seeing a Chinese "trussed up" in the neighborhood of the ruined Rokusan Garden in Chapei, while passing that neighborhood on the afternoon of April 15, interfered with the Japanese marines on duty there and loosened the ropes which were holding the Chinese. The upshot of the matter was that the Japanese marines escorted Mr. Faulder to the Landing Party headquarters. The Japanese version of the affair is that the Chinese in question was caught looting. They released the Britisher after several hours' detention upon his apologizing.

American Missionary to Poland Jews Found With Throat Cut

Miss Grace Mott, a well-known American Protestant missionary in Poland, was found dead in Warsaw with her throat cut in the conference hall of the Mission to which she was attached, April 15. Miss Mott, who was 40 years of age, went to Poland a year ago with the object of converting the Polish Jews to Christianity. A number of knives were found near the body, which was in a horrifying state when discovered.

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In the United States Court for China

In re.
Estate
of
FRANK FERNANDEZ,
Deceased

Cause No. 3439
Special Proceedings No. 781
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FRANK FERNANDEZ, deceased, to present the same with vouchers to the undersigned on or before November 14, 1932, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, April 18, 1932.

J. R. BROWNE,
c/o Fleming, Franklin & Allman
21 Yuen Ming Yuen Road,
SHANGHAI.

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Latest New York Stock Exchange Quotations

Market Easy — Business Done 1,000,000 Shares
April 20, 1932

1931-1932 High	Low	Div.$ perSh.	STOCKS	Mon. Apr. 18	Tues. Apr. 19
23½	3	—	Adams Express	3⅝	3⅜
182¾	62¼	*6.00	Allied Chemical & Dye	62½	58
42¾	8⅞	.50	Allis Chalmers	7⅞	7½
129¾	46½	*4.00	American Can	46½	46⅛
51¾	2⅜	—	Amer. & Foreign Power	4⅜	4
31⅛	1¼	—	Amer. & For. Power W.	2⅛	2
58½	7⅞	.50	American Smelting	9¼	9¾
201¾	100	9.00	American Tel. & Tel.	100	99½
132¾	64	*5.00	American Tobacco "B"	69¾	67¼
80¾	19	3.00	American Waterworks	20¼	20
43¼	4⅝	—	Anaconda Copper	5⅛	5¼
295½	37¼	*4.00	Auburn Automobiles	38½	39¾
87⅞	8¼	—	Baltimore & Ohio	9	9⅛
70⅜	13	—	Bethlehem Steel	13	13⅛
76½	31⅛	*3.00	Borden Company	32⅛	31¼
30¾	6¾	1.00	Borg Warner	7	7
45¾	10¾	1.25	Canadian Pacific Railway	12¾	12¾
131½	26	—	Case J. I.	27¼	27
102	32½	3.00	Chase Bank	32½	31¾
54⅛	6½	3.00	Chesapeake Corp.	9¼	9¼
25¾	8⅝	1.00	Chrysler	9	9
20¾	3¾	.30	Cities Service, Co.	4½	4¼
45⅝	6⅞	1.50	Columbia Gas & Electric	8	8
12	2¼	.80	Common wealth &Southern	2⅝	2½
2¾	¼	—	" " warr.	⅜	5/16
109⅝	50⅛	4.00	Consolidated Gas. of N.Y.	50⅛	50
12	5	—	Continental Oil	5¼	5
86⅝	29⅞	*3.00	Corn Products	31½	31½
5⅞	1	—	Curtiss Wright Co.	1⅛	1⅛
78¾	34¾	4.00	Drug Incorporated	37⅝	37½
107	31⅜	4.00	Du Pont de Nemours	31⅜	31
185¾	52½	5.00	Eastman Kodak	52½	53
61	10⅝	6% S	Electric Bond & Share	15¾	14¼
60¾	6	1.00	Electric Power & Light	7⅜	Not
38⅜	2⅛	—	Fox Film "A"	2½	2⅛
54¾	14⅝	1.00	General Electric	14¾	14⅛
56	28½	3.00	General Foods	33½	32
48	11¼	2.00	General Motors	11⅞	11½
84⅛	13½	3.00	General Railway Signal	15½	15¼
38¾	9¼	1.00	Gillette	18⅛	18
42½	11¾	1 60	Gold Dust	13½	13
20⅞	3	—	Goodrich Rubber	3¼	3¼
52¾	9⅛	1.00	Goodyear Tire & Rubber	9½	10⅛
62½	7⅛	2.00	International Cement	8¾	8¼
4	½	—	International Combu. Eng.	⅞	Unq.
60½	17⅝	1.80	International Harvester	18⅝	19
20⅛	5¾	—	International Nickel	5¾	5¾
38¾	4¾	—	International Tel. & Tel.	5½	6
80¾	10⅝	—	Johns Manville	10⅝	11
31½	5½	—	Kennecott	6⅞	7⅛
27¾	¼	1.61	Kreuger & Toll	¼	¼
91¾	40	4.00	Liggett & Myers, "B"	49¾	48½
63¼	21	3.00	Loew's: Inc.	22½	21⅝
21⅞	10	1.20	Lorillard P. Co. (com.)	14	14
19	1½	—	Ludlum Steel	3⅜	3¾
29¼	6⅝	—	Montgomery Ward	7	7
108½	34½	3.00	Nash Motors	38¾	37¾
14¾	2¾	—	National City Bk. bid price	4	3¾
132¼	19	—	Nevada Consolidated Co.	19⅜	19⅝
90¼	24½	10%S	North American Aviation	25¼	24⅛
54⅞	25½	2.00	Pacific Gas & Electric	27⅛	26¾
11⅞	2¼	—	Packard Motors	2⅝	2½
50¼	4	—	Paramount—Publix. Corp.	4½	4
64	12⅛	2.00	Pennsylvania Railroad	13¼	13
8½	1¾	.40	Pennroad Corporation	2	1¾
16⅝	3⅞	—	Phillips Petroleum	4⅛	4
96	39¾	3.40	Public Service of N.Jersey	42⅝	42⅛
27½	5	—	Radio Corporation	5½	5½
24½	2¾	—	Radio-Keith Orpheum	3¾	3½
54½	32	3.00	Reynolds Tobacco "B"	32	32¼
63¼	20½	2.50	Sears Roebuck	20⅝	20⅜
10¼	2½	—	Shell Union	3	3
23⅜	4¾	—	Simmons Company	5½	Unq.
26½	7⅞	1.00	Socony-Vacuum Corp.	8¾	8⅝
54½	24	2.00	SouthernCaliforniaEdison.	Mutl.	24⅛
88¾	14¾	3.50	Standard Gas & Electric	16⅝	16⅝
53½	21⅞	*1.00	Standard Oil of N. Jersey	23⅛	23
26¼	9⅞	1.00	Texas Corporation	11½	11
50¾	16¼	2.00	Texas Gulf Sulphur	18	17⅛
18	2	—	Trans America	3½	3¼
72	20¾	2.00	Union Carbide & Carbon	21¾	20½
205⅛	49⅜	10.00	Union Pacific Railway	52¼	52
38⅞	9¾	—	United Aircraft & Trans.	10⅞	10⅞
31¼	5¼	.40	United Corporation	6⅛	6¼
37½	15	1.20	United Gas Improvement	16	16
20⅜	3	—	U.S. Rubber	3⅝	3½
152¾	31⅜	2.00	U.S. Steel	31⅝	30⅛
76¾	8	—	Vanadium	8⅛	8
20⅜	1⅜	—	Westinghouse E. & M.	1½	1½
107¾	19⅞	1.00	Woolworth	22⅜	21⅞
72⅝	35	2.40		36⅜	36⅛
*Plus extras			Call Money	2½ %	2½ %

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The National City Co. Gold Bond Quotations Received From Head Office

April 14, 1932.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	38¼	—
Argentine Government	6 % May 1, 1960	47½	—
U. S. of Brazil	6½% Oct. 15, 1957	19	—
Canadian National Railway Co.	5 % Oct. 1, 1969	84¼	6.09
Chile Government	6 % Sep. 1, 1961	7½	—
Republic of Finland	6½% Sep. 1, 1956	55	—
Finnish Gtd. Municipalities "A"	6½% Oct. 1, 1954	49½	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	30¾	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	28	—
German General Electric (A.E.G.)	6 % May 1, 1948	32⅞	—
Ilseder Steel Corp.	6 % Aug. 1, 1948	25	—
Kingdom of Italy	7 % Dec. 1, 1951	89½	8.08
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	6	—
City of Milan	6½% Apr. 1, 1952	66	10.64
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	10½	—
Republic of Peru	6 % Oct. 1, 1961	5	—
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	28⅝	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	59¼	—
Saxon Public Works	6½% May 1, 1951	20	—
American I.G. Chemical Corporation	5½% May 1, 1949	59⅜	10.70
Chicago, Milwaukee, St. Paul & Pacific	5 % Jan. 1, 2000	5¾	—
Chile Copper Co.	5 % Jan. 1, 1947	48	—
Goodyear Tire & Rubber	5 % May 1, 1957	69⅜	7.85
International Match Corporation	5 % Jan. 15, 1941	7½	—
The Mead Corp. w.w.	6 % May 1, 1945	43¾	—
National Steel Corp.	5 % Apr. 1, 1956	70	7.78
Japanese Government	6½% Feb. 1, 1954	68	10.16
Japanese Government	5½% May 1, 1965	59½	9.56

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	58½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	58	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	56	—
Chinese Government (Crisp Loan)	5 %	1912	35	—
Shanghai-Nanking Railway	5 %	1904/08	34½	—
Shanghai - Hangchow-Ningpo Railway	5 %	1908/58	62½	—
Hukuang Railway	5 %	1911/1951	20	—
Tientsin-Pukow Railway	5 %	1908/09	12	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

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Exchange Circular for the week ending Wednesday, 13th April, 1932.

The week under review has been extremely quiet from a business point of view. The main conference of the Sino-Japanese peace parleys broke down on the 11th April, and have not as yet been resumed. The Chinese delegation remaining adamant in their demand of a definite time limit for the withdrawal of the Japanese troops into the International Settlement. The Chinese Government, has referred the matter to the League of Nations.

Silver:—On the 7th ult, was 17d. spot and 17 1/16d. forward, U.S. $ 29, and closes today at 16 15/16d, 16 7/8d, forward, U.S. $ 28¾.

Exchange:—The official rate on the 7th was 1/7 3/4d. and U.S. $ 31 1/4d, market opened with sellers at 1/8d, U.S. $ 31 1/8 and Yen 105 easiness set in and the lowest rates for the morning was 1/7 7/8d. At noon the mornings opening rates were being quoted closing steady in the afternoon at 1/8 1/16d. and U.S. $ 32. Gold Bars 702 opened, highest 707.50 to close at 694.80.

On the 8th inst, silver was quoted at 1/6 13/16d. and 7/8 forward, 1/8 down, ready and forward New York 28 3/8, 3/8 down.

An easier market at the opening 1/7 7/8d. U.S. $ 31 3/8 steadied to 1/8d, and U.S. $ 31 5/8, the market kept steady and quiet at these rates to the closing.

Our Stocks of Silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 67,342,000 an increase of Tls. 1,652,000
Chinese and Mexican Dollars $ 213,180,000 an increase of $ 3,980,000
Estimated value Tls. 220,831,000 as against Tls. 201,089,000 held at this time last year

†	Average rates for Mar.	Thursday Apr. 7	Friday Apr. 8	Saturday Apr. 9	Monday Apr. 11	Tuesday Apr. 12	Wed.. Apr. 13
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T on London	1/9 641	1/7¾	1/7¾	1/7¾	1/7¾	1/7¾	1/7¾ 1/7¾
D/Dfts ,,	—	1/7¾	1/7¾	1/7¾	1/7¾	1/7¾	1/7¾ 1/7½
4 m/s ,,	—	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16 1/7 7/8
T/T on India	119,094	109¼	109	109	100¼	109½	109¼
T/T on France	828,333	31¾	785	788	791	791	107¾
T/T on N.Y.	32,510	31¼	31	31⅛	31¼	31¼	791 781
T/T on Demand		31¼	31	31⅛	31¼	31¼	31⅛ 30⅝ 31⅛ 30⅝
T/T on Hamburg R. M.		132	130½	131¼	131¼	131½	131½ 130
T/T on H'kong	75.292	75 5/8	75¾	75⅜	75¾	75¾	75¾ 75⅜
T/T on Japan	99.125	107nom.	107 nom.	107 nom.	107 nom.	106 nom.	107nom
T/T on Batavia	80.927	77¼	76½	76¾	77	77	108
T/T on Straits	128 885	141	141	141	141	141	77 76 141 141
Bk's buying rates							
4 m/s B/L. Cred.&D/A	2/10 833						
4m/s B/L D/P	876 625						
6m/s ,, B/L Cred&D/A	—						
4 m/s B/F Cred D/A or D/P							
4m/s N.Y.Lc	34·354						
4m/s ,, Docs	—						

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling,	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12	Apr. 13
Bullion,						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	17	16 13/16	16 13/16	16 11/16	16 15/16	16 15/16
**New York Price of Bar Silver per oz. (Pure)	G.$ 28¾	G.$ 28¾	G.$ 28¾	G.$ 28¼	G.$ 28½	G.$ 28¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 700·0	Tls. 704·0	Tls. 703·5	Tls. 702·0	Tls. 708½	Tls. 718·0
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch) ....Nominal	Tls. 112·0	Tls. 112·0	Tls. 112·0	Tls. 112·0	Tls. 112·0	Tls. 112·0
Shanghai Mexican Dollars per $100	Tls. 70.85⅝	Tls. 70.85	Tls. 70.7⅛	Tls. 70.6¼	Tls. 70.3½	Tls. 70 3
Native, Bank Rate of Interest (Call money)	2%	2%	2%	2%	2%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	3½%	London on Paris	T/T 96 20
Bank of France rate of discount	2½%	New York on London	T/T 3-93¼
London open of Market rate of Dis. 3m/s	12 3/16%	Bombay on London	T/T 1/6
,, ,, 4 ,,	2 3/16%	Hongkong on London	T/T 1/3
,, ,, 6 ,,	2 1/16%	Kobe on London	T/T 1/3 15/16

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